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Central Intelligence Agency
Washington, D.C. 20505

William M. Baker
Director, Public Affairs
(703) 482-7676

15 April 1988

DDCI:

Attached are the quotes taken from press clippings on statements made by Presidential candidates Dukakis and Jackson about the CIA.

I have also included the full text of the articles for your information.

STAT

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Executive Registry
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Remarks by Dukakis

"The next president should convert the CIA from an organization that "assassinates people" into an organization that advises presidents. The Administration has tried to sabotage the Arias plan by pledging massive amounts of additional aid to the contras, which he said are "not a legitimate force in Central America, but a wholly owned CIA subsidiary." "We have to decide in this country what the CIA is going to be - an information agency or an assassination agency. It was not created to assassinate people . . . or to overthrow governments. It was established to provide the president with information." ". . . the next president also must appoint agency heads who "respect the law and human rights . . . " (UPI 29 Jan 1988)

Asked if he supported any aid to the contras . . . Dukakis said, "Only if it is for the very limited purpose of carrying out the provisions of the Arias plan . . . providing it is channeled through international relief agencies, neutral agencies and not the CIA and the agencies of the federal government." (AP 25 March 1988)

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LEVEL 1 - 11 OF 13 STORIES

Proprietary to the United Press International 1988

January 29, 1988, Friday, PM cycle

ADVANCED-DATE: January 28, 1988, Thursday, PM cycle

SECTION: General News

DISTRIBUTION: Iowa

LENGTH: 295 words

HEADLINE: Dukakis: Contras not a legitimate force

BYLINE: By BILL BREWER

DATELINE: DES MOINES, Iowa

KEYWORD: Dukakis

BODY:

The next president should convert the Central Intelligence Agency from an organization that ''assassinates people'' into an organization that advises presidents, Massachusetts Gov. Michael Dukakis said.

Dukakis, during a presidential campaign speech to 250 peace activists at Drake University Thursday, also said he is hopeful next week's House vote on President Reagan's proposal to provide an additional $36 million in Contra aid will mark the end of U.S. attempts to ''sabotage'' Costa Rican President Oscar Arias' Central American peace plan.

''The Arias plan has done more in five months to promote what we say are our goals in Central America than six years of Contra aid. But it has not, so far, produce peace,'' Dukakis said. ''One reason for that I believe is that this (Reagan) administration can't cope with the threat of peace in Central America.

The administration has tried to sabotage the Arias plan by pledging massive amounts of addional aid to the Contras, which he said are ''not a legitimate force in Central America, but a wholly owned CIA subsidiary.''

''We have to decide in this country what the CIA is going to be - an information agency or an assassination agency. It was not created to assassinate people... or to overthrow governments. It was established to provide the president with information,'' the Massachusetts Democrat said.

Dukakis said the next president also must appoint agency heads who ''respect the law and human rights,'' adding he was shocked to see news accounts of FBI surveylance of groups opposed to U.S. policy in Central America.

''The FBI produced no charges; no convictions; and it uncovered no threat to our security. If there was a threat to democracy, it came from the investigation itself,'' he said.

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LEVEL 2 - 3 OF 41 STORIES

The Associated Press Political Service

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HEADLINE: Contra-Aid Opponent Dukakis Says Some Aid OK For Ceasefire

DATE: March 25, 1988

BYLINE: By EVANS WITT, AP Political Writer

DATELINE: COMSTOCK PARK, Mich.

KEYWORD: Dukakis

BODY:

Democratic presidential candidate Michael Dukakis, a longtime opponent of U.S. aid to the Nicaraguan Contras, said Friday he would support aid to the rebels to support the new ceasefire and the regional peace plan of Costa Rican President Oscar Arias.

In a final day of campaigning for Saturday's Michigan caucuses, Dukakis praised the ceasefire agreement reached this week in Nicaragua and called on the Reagan administration to support it.

"After seven years of a failed and illegal policy, it is time for the administration to ... get behind the peace plan _ not next week, not next month, but now," he told reporters at a United Auto Workers union hall in this Grand Rapids, Mich., suburb.

The Massachusetts governor is leading in opinion polls in Michigan, but he warned his supporters not to take anything for granted.

"Friends, you're looking at a guy who was 50 points ahead in the polls in 1978 when I first ran for re-election ... and I lost," he said. "I don't pay any attention to the polls and I hope you don't."

"It's a very important state. If we can do well here, it will be a giant step on the road to the nomination and the presidency," Dukakis said.

He had planned a full day of campaigning in Michigan, but logistical problems snarled those plans. Bad weather kept Dukakis from returning to the state early Friday morning, causing cancelation of events in Detroit and Saginaw.

He held a town meeting with UAW workers and retirees in Comstock Park and then held a final rally in Hamtramck.

Dukakis had emphasized repeatedly his opposition to all aid to the Contras. Asked Friday if he supported any aid to the Contras now _ as laid out in the ceasefire agreement _ Dukakis told reporters:

"Only if it is for the very limited purpose of carrying out the provisions of the Arias plan ... providing it is channeled through international relief agencies, neutral agencies and not the CIA and the agencies of the federal

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government."

Dukakis said he doesn't want the Reagan administration to handle the money because "I don't trust this administration to provide that aid directly."

Asked if his position is consistent with his earlier stance that "not one dollar" of aid go to the Contras, he replied: "Yes, because this is for the purpose of implementing the peace plan."

He said the "non-lethal" or "humanitarian" aid proposed in the past for the Contras was for the purpose of pursuing the war against the government of Nicaragua.

"'Non-lethal' or 'humanitarian' or 'the resistance' _ all of this stuff is PR stuff coming out of the administration. I don't buy it. We ought to decide what we are talking about here. A great deal of the aid that was called non-lethal was direct aid for the Contras. And I think we know that.

"If what we are about here is genuinely implementing the Arias plan or the ceasefire or both, then it may make sense to provide some assistance through international relief agencies," Dukakis said.

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Remarks by Jackson

1984:

Jackson said the mining of Nicaraguan harbors, reportedly by the CIA, was "an act of terrorism imposed on that government by our government. He told 400 students at Cheyney University that if the United States sends troops to the region, "you'll be the first to be called to kill or be killed." (AP 10/April 1984)

The mining of Nicaraguan harbors by CIA-backed rebels "is in fact an act of war." (AP 11 April 1984)

"The Democratic Party must take bold and vigorous leadership. It is not enough for Walter Mondale to call mining the harbors a clumsy and ill conceived act. ". . . I call on Walter Mondale and Gary Hart to join with me in urging further action in Congress to stop our funding of terror in Nicaragua and El Salvador now and to withdraw all our troops from Central America." (AP 13 April 1984)

Jackson said that a special prosecutor should be appointed to investigate activity of the Central Intelligence Agency in Central America. (AP 22 October 1984)

Jackson said the deaths of four CIA operatives in El Salvador and the disclosure that a CIA manual trains Nicaraguan guerrillas in the art of assassination calls for more than a debate on U.S. foreign policy. "Such illegal activity on the part of the CIA endangers both national and international security," said Jackson after speaking to the St. Louis city Democratic central committee. "It must be stopped, the director of the CIA must be removed from office," Jackson said. "The president is too implicated to conduct his own investigation of these matters two weeks before the election." (AP 22 October 1984)

He called the CIA manual, which urged Nicaraguan rebels to "liquidate" Sandinista leaders, a "murder manual" and likened the situation to Watergate. "Reagan has in fact tried to overthrow the Sandinista government, and now we find this murder manual being distributed which is a source of embarrassment to our government. We need a special prosecutor on the Nicaraguan situation. Reagan is closer to the crime in Nicaragua than Nixon was to Watergate." (AP 23 October 1984)

"I don't care how it goes down, as long as there is a (CIA) murder manual in Nicaragua . . . . God is not mocked. And that which a nation sows, that will it reap." (AP 5 November 1984)

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1986:

On the downing of a cargo plane in Nicaragua, Jackson said reported links between the cargo plane and the CIA, as well as Reagan's "positive statements" about the event, give evidence the United States is waging an "undeclared war" against Nicaragua. (AP 10 October 1986)

1988:

Jackson accused the U.S. government and CIA of being "an accomplice" to Panama military strongman Manuel Antonio Noriega. He said U.S. backing for Noriega, who has been indicted on U.S. drug charges, is an example of the failure of U.S. foreign policy to take the drug threat seriously. (AP 27 February 1988)

The foreign policy of a Jackson Administration would be based on the principles of self-determination, international law and human rights . . . the Central Intelligence Agency's mission would be to gather intelligence. (WASHINGTON POST 7 March 1988)

"We are as aware of Honduran generals dealing with drugs as we are of Noriega dealing with drugs. The CIA has been involved in the whole drug operation and . . . is very aware of drug trafficking in the area." (WASHINGTON POST 19 March 1988)

"Our CIA is deeply involved in corrupt and sleazy behavior in Central America and Latin America." (WASHINGTON POST 19 March 1988)

"Noriega is dealing in drugs. The Honduran generals are dealing in drugs. The CIA is dealing in drugs." (LOS ANGELES TIMES 19 March 1988)

"The CIA has been involved in the drugs-for-arms operations (with the Contras) and with the Honduran generals. Some of it came out of the hearings about the Iran-Contra situation. Our dealings with the Contras is a sleazy operation. We are heavily implicated in that situation." (LOS ANGELES TIMES 19 March 1988)

When asked if he meant that members of the CIA had profited from the selling of drugs, Jackson said, "I'm convinced that our CIA is deeply involved in the sleazy and corrupt behavior in Central America and Latin America, and that we should have a full and complete investigation." (LOS ANGELES TIMES 19 March 1988)

"We (the United States) are as aware of a Honduran general dealing in drugs as we are of Noriega dealing drugs . . . the reality is our CIA has been involved in that whole drug operation. It is beneath the dignity of our government. It should never be allowed to happen again." (LOS ANGELES TIMES 19 March 1988)

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Jackson attacked Bush for his silence on such issues as the Iran-Contra scandal, his complicity as CIA director with Panamian strongman Manuel A. Noriega, and his record as director of the Reagan Administration's task force on drugs. (LOS ANGELES TIMES 19 March 1988)

On Noreiga, he said, "To be sure our CIA was involved with Noriega for a long time. We've known of his dealings in drugs and guns for a long time, and other leaders in the region as well." (THE LOS ANGELES TIMES 5 April 1988)

There should be a congressional investigation of the CIA's past role with Noriega. (AP 9 April 1988)

In response to Reagan's statement that more attention is being paid to Jackson's color than what he is actually saying, Jackson said, "I know why Reagan's reacting. Because we're demanding a full investigation of the connection between the CIA and the drug-peddling in Central America." (WASHINGTON POST 14 April 1988)

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LEVEL 2 - 37 OF 41 STORIES

The Associated Press Political Service

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HEADLINE: Jackson says he'll go to Central America

ELECTION-YEAR: 1984

DATE: April 10, 1984

STATE: Pennsylvania; National

OFFICE: President

BODY:

PHILADELPHIA (AP) -- The Rev. Jesse Jackson appealed for a massive turnout of black voters to "make a difference" in today's Pennsylvania primary election and announced plans for a trip to Central America, the biggest hot spot these days in U.S. foreign policy.

"We're going to vote in great numbers. Be strong. Give us your best," Jackson told a predominantly black audience at a Broad Street rally Monday, on the final full day of campaigning for 172 Pennsylvania delegates to the Democratic National Convention.

More than 40 percent of Philadelphia's registered Democrats are black and Jackson said, "Your vote can make a difference. In 1980, (President) Reagan won by default. It was our fault. Reagan won by the margin of despair, by the fracture in our coalition."

Across the state, white jobless steelworkers joined Jackson at the Macedonia Baptist Church in Pittsburgh's predominantly black Hill District, and he urged them to join his "Rainbow Coalition and its "fight for our jobs and our future."

"Steelworkers cannot save jobs by themselves. They need the rest of the rainbow," said the candidate. "When I see these steelworkers in a black Baptist church, something's going on. . .and it's all for the better."

At an earlier appearance, Jackson announced he would lead a peace delegation to Central America later this month or in May to meet with representatives of the Contadora Group, an organization of Latin American nations trying to negotiate peace in Central America.

He said he was invited to accompany a group of unidentified religious leaders to Nicaragua, where U.S.-backed rebels are trying to overthrow a Marxist government supported by the Soviet Union.

Jackson said the mining of Nicaraguan harbors, reportedly by the CIA, was "an act of terrorism imposed on that government by our government. He told 400 students at Cheyney University that if the United States sends troops to the region, "You'll be the first to be called to kill or be killed."

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In Washington, the State Department had no comment on Jackson's trip and Nicaraguan Foreign Minister Miguel D'Escoto said he was not aware of Jackson's plans. But he said his country would welcome Jackson or any other American, including President Reagan, if he went there with a religious delegation.

Jackson attracted worldwide attention and praise from his Democratic rivals after a high-risk mission to Syria in January led to the release of Navy flier Robert O. Goodman Jr., who had been shot down and taken prisoner during an air strike in Lebanon.

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The Associated Press Political Service

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HEADLINE: Jackson calls harbor mining "an act of war"

ELECTION-YEAR: 1984

DATE: April 11, 1984

STATE: Arizona; National

OFFICE: President

BODY:

PHOENIX, Ariz. (AP) -- The Rev. Jesse Jackson said Wednesday that the mining of Nicaraguan harbors by CIA -backed rebels "is in fact an act of war."

The candidate for the Democratic presidential nomination also said the mining "certainly is bordering" on an impeachable offense by President Reagan because Congress has not declared war.

"I do not call for his impeachment, but it is provocative and a de facto state of war. If he operates beyond the law it must be challenged," Jackson said at a news conference at Phoenix's Sky Harbor International Airport.

He arrived in Phoenix for a fund-raising event and rally after spending the afternoon in Tucson.

At the airport, Jackson picked up an endorsement from Ned Anderson, tribal chairman of the San Carlos Apache Indians.

Earlier in Tucson at the University of Arizona, Jackson said the United States should use education and technology rather than military aid to help Central American nations.

"We must train our youth to end the slaughter and build America," he said. "Your task is not to die in Nicaragua, El Salvador, in Grenada, in Lebanon. Your task is to build and live and make our nation great."

Jackson pointed out that not long ago, teen-agers did not have the right to vote. They achieved that right, he said, because 55,000 young Americans were being asked to die in Vietnam, yet they could not vote.

"Those of you sitting here today have some special need to register to vote and make your voices heard," Jackson urged the University of Arizona audience.

Jackson, three hours late for his appearance here, also decried exploitation of Native Americans, shouted his opposition to immigration registration and described himself as a man of action, a candidate for peace and the representative of the Third World.

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The Associated Press Political Service April 11, 1984

Jackson told about 500 high school students that "to cut aid to education and increase aid to the killer squads of El Salvador is just not right."

The black civil rights leader told the young people that "we now find our government has mined the waters of Nicaragua -- an act of war. Our government has no right to cut aid to education and deny you a chance for education."

Jackson also told the university crowd the United States "raped, robbed and engaged in genocidal policies against American Indians. There has been no greater disgrace in American government than exploitation of the American Indian."

If democracy does not work for the American Indian, then it does not work for anyone, he said.

By Arthur H. Rotstein

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The Associated Press Political Service

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HEADLINE: Jackson says harbor mining dwarfs Watergate scandal

ELECTION-YEAR: 1984

DATE: April 13, 1984

STATE: Ohio; National

OFFICE: President

BODY:

CINCINNATI (AP) -- The Rev. Jesse Jackson said Friday that Congress and the other Democratic presidential candidates must take bolder steps against the Reagan administration for its "complete contempt" of Congress in its policies toward the Sandinista government in Nicaragua.

"We must all realize the seriousness of a situation that makes Watergate look benign," Jackson said in a statement handed out as he traveled from Arizona to Ohio.

The black Democratic presidential hopeful took a swipe at opponents Walter F. Mondale and Gary Hart as well, saying they must join him in "bold and vigorous leadership" to stop Reagan policies that include CIA -directed mining of harbors in Nicaragua.

Jackson said congressional resolutions condemning the mining are not enough.

"The administration continues to show complete contempt of Congress, constitutional law, statutory law and world opinion," he said. "Congress must not let such contempt for itself pass by lightly. It must demand a full investigation of the administration's actions and consider what further action needs to be taken."

Jackson repeated his call for consideration of impeachment of Reagan because of the Nicaraguan operations.

"At a minimum, such an act of state-sponsored terror can be characterized as a high crime or misdemeanor," he said, quoting language from the U.S. Constitution on grounds for impeachment.

He said the Democrats must take the lead in changing Central American policies.

"The Democratic Party must take bold and vigorous leadership," he said. "It is not enough for Walter Mondale to call mining the harbors a clumsy and ill conceived act. ... I call on Walter Mondale and Gary Hart to join with me in urging further action in Congress to stop our funding of terror in Nicaragua and El Salvador now and to withdraw all our troops from Central America."

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Jackson was particularly critical of CIA Director William Casey's comment that the United States might go to another country to find the funds to continue covert operations against Nicaragua.

Jackson planned a three-day swing through Ohio, which has an important primary on May 8.

After addressing a rally with about 5,000 people here, Jackson went to Dayton for another rally and to spend the night with a poor family there.

Saturday, he planned events in Akron and Cleveland, including an appearance at the opening home game of the Cleveland Indians baseball team.

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The Associated Press Political Service

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HEADLINE: Jackson has stand-up day in Arizona

ELECTION-YEAR: 1984

DATE: April 13, 1984

STATE: Arizona; National

OFFICE: President; Governor

BODY:

PHOENIX, Ariz. (AP) -- The Rev. Jesse Jackson had a stand-up day. People all over Tucson and Phoenix were standing up and cheering for him Wednesday as he touted his Rainbow Coalition candidacy for the Democratic presidential nomination.

Jackson repeatedly spoke out on behalf of Indians, Hispanics, other minorities and youth while decrying American leadership beset by "cataracts over their eyes" that has led to such policies as U.S.-backed rebel mining of Nicaraguan harbors -- which he called "an act of war."

He bore his messages to enthusiastic audiences at Tucson High School and the University of Arizona, a news conference in Phoenix, and then a fund-raiser and a late-night rally at a now-closed Phoenix high school, stressing that he offers the country a "new direction" and real, moral leadership.

He hammered away at his quest of uniting "red, yellow, brown, black and white" in a new, progressive coalition for peace, both in the country and in the world, and urged eligible voters to take part in the democratic process and wield "your power."

"Our nation has been limited by leaders who had cataracts over their eyes and didn't see well," Jackson said, alluding to restrictive or exclusive racial and sex-related policies in the past. "Part of our challenge is to keep taking the cataracts off the eyes of the leaders."

Jackson said repeatedly, "The strength of America is not in guided missiles, it is in guided minds," in attacking the Reagan administration for cutting aid to education, for neglecting the poor and for policies that he said have led to increased unemployment.

He said under Reagan, "there are 8 million more people in poverty -- most of whom are white, women and children."

To cut education funds and "increase aid to the killer squads of El Salvador is just not right," he said. And he said four-year scholarships to state universities would cost perhaps $20,000, while four-year "scholarships" in the country's jails cost from $90,000 to $140,000. He told high school students their task is "not to die in Nicaragua, in El Salvador, in Grenada, in

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Lebanon. Your task is to build and live and make our nation great."

At his news conference, Jackson said the mining of Nicaraguan harbors by Central Intelligence Agency -supported rebels "is in fact an act of war." And because Congress has not declared an act of war, "it certainly is bordering on" an impeachable offense by President Reagan, he said.

"I do not call for his impeachment, but it is provocative and a de facto state of war," Jackson said. "If he operates beyond the law, he must be challenged."

Jackson praised action by congressional leaders, including Sen. Edward M. Kennedy, D-Mass., in the wake of the mining revelations to reconsider a request for $21 million in new CIA aid to Nicaraguan rebels. But he also twitted one of his two rivals for the Democratic presidential nomination, Colorado Sen. Gary Hart, for missing a dozen recent roll-call votes, saying it would have been "a good time" for him to take leadership on the issue.

The black civil rights activist pointed to differences with Hart and the other Democratic presidential hopeful, former Vice Prsident Walter Mondale, painting himself as a man of action -- having marched to help gain passage of the public accommodations bill, voting rights act and open housing -- and having gone to Syria last December to obtain the release of a captured Navy airman -- while he said the other two simply advocated those things. "It's good to advocate," Jackson said. "But there comes a time to act."

Mondale also was in Phoenix on Wednesday, while Hart was scheduled to be in Arizona on Friday.

On Saturday, 500 delegates will be selected to the Democratic state convention on May 26, from among whom a total of 33 delegates to the national convention will be chosen during caucusing. Another seven delegates will be named from among top Arizona party and congressional officials.

Jackson noted that while Hart and Mondale have called for increased military spending, he believes the defense budget can be cut 20 percent "without cutting defense." The savings would go to create new jobs that would train people and rebuild the nation's infrastructure -- "250,000 bridges, mass transit systems" and the like -- and, he said, would boost primary industries such as steel in the process.

He criticized an industrial policy that allows American corporations to close down plants and move operations overseas to take advantage of cheaper labor at the expense of American workers.

Jackson picked up several endorsements Thursday from Arizona Hispanic, black and Indian leaders.

He accused the United States of having engaged in a policy of genocide against Indians for hundreds of years, and said "how America treats the Indians is the litmus test of our character."

He said there aren't many Indian votes, with a population nationwide of only about 1.5 million people, but "they do have a quality ofrightness and righteousness no moral person can ignore."

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He scored the federal government's handling of a $1 billion annual budget for Indians, saying more than $700 million goes for administration of the Bureau of Indians Affairs, two-thirds of whose employees aren't Indians. About $200 million is spent for Indians, and $100 million is returned to the Treasury unspent because of inefficiency, he said -- despite soaring unemployment, infant mortality and alcoholism.

"The money should go straight to the Indian reservations directly to the Indian nations," he added.

As for pending immigration legislation that could have the effect of requiring Hispanics to carry identity cards, Jackson said critically, over and over, "This is not South Africa, it is America. We should not require Chicanos to walk around with passbooks in their pockets as if they were foreigners in their own land."

Immigration policy, he said, "boils down to applying one set of rules -- apply the same set to those coming north as to the Canadians coming south."

Jackson said the point of his campaign "is to reach out for the locked out," for blacks and Hispanics who will be "the next majority. They are the children of the future," he said.

On foreign policy, he said the United States should be talking with, "not at or to," the Soviet Union; should be talking with Latin American neighbors -- "don't shoot it out, think it out" and should not be the No. 1 trading partner with South Africa as long as racial apartheid remains at the core of that country.

At the fund-raiser, Gov. Bruce Babbitt thanked Jackson for "all the help you have given me," particularly in attempting to mediate peace in Miracle Valley in November 1982, shortly after a fatal shootout involving Cochise County sheriff's deputies and members of a black church.

Babbitt also said Jackson was "making history" in his quest for the presidential nomination, embodying "a great change in the Democratic Party," echoing state party chairman Sam Goddard's comment that because of Jackson's campaign, "politics is never going to be the same after this watershed."

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LEVEL 2 - 13 OF 41 STORIES

The Associated Press Political Service

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HEADLINE: Jackson calls for special prosecutor on CIA

ELECTION-YEAR: 1984

DATE: October 22, 1984

STATE: National

OFFICE: President

BODY:

ST. LOUIS (AP) -- The Rev. Jesse Jackson, campaigning on behalf of the Democratic presidential ticket, said Monday that a special prosecutor should be appointed to investigate activity of the Central Intelligence Agency in Central America.

He said the deaths of four CIA operatives in El Salvador and the disclosure that a CIA manual trains Nicaraguan guerrillas in the art of assassination calls for more than a debate on U.S. foreign policy.

"Such illegal activity on the part of the CIA endangers both national and international security," said Jackson after speaking to the St. Louis city Democratic central committee.

The activities in Central America, he said, increase the risk of regional war and harm the standing of the nation.

"It must be stopped, the director of the CIA must be removed from office," Jackson said. "The president is too implicated to conduct his own investigation of these matters two weeks before the election."

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The Associated Press Political Service

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HEADLINE: Jackson: U.S. needs new cook, not new kitchen

ELECTION-YEAR: 1984

DATE: October 23, 1984

STATE: Tennessee; National

OFFICE: President

BYLINE: By DAN GEORGE, Associated Press Writer

BODY:

CHATTANOOGA, Tenn. (AP) -- The Rev. Jesse Jackson, on the first anniversary of the terrorist bombing that killed more than 200 U.S. Marines in Lebanon, criticized President Reagan on Tuesday for what he called continued poor security for Americans in the Middle East.

"It happened again and again and again. The last time it happened, because our embassy was not secure, the president said it was like a kitchen being incomplete," said Jackson, referring to the latest bombing that killed 14 people at the U.S. Embassy annex in Beirut on Sept. 20.

"I submit to you behind that kind of death and destruction and terror, we don't need to just fix the kitchen. We need to change the cook."

The former presidential contender made the comments to a crowd at a Chattanooga rally of supporters for Democratic presidential candidate Walter F. Mondale.

Jackson also criticized U.S. policy in Central America and told reporters before the rally that a special prosecutor should be appointed to investigate what he said was Reagan's involvement in a Central Intelligence Agency guerrilla warfare manual against the Sandinista regime in Nicaragua.

Jackson called the CIA manual, which urged Nicaraguan rebels to "liquidate" Sandinista leaders, a "murder manual" and likened the situation to Watergate.

"Reagan has in fact tried to overthrow the Sandinista government, and now we find this murder manual being distributed which is a source of embarrassment to our goverment," Jackson said. "We need a special prosecutor on the Nicaragua situation. Reagan is closer to the crime in Nicaragua than Nixon was to Watergate."

Later in the day, Jackson was flanked by state House Speaker Ned McWherter, D-Dresden, and Donna Zaccaro, daughter of Democratic vice presidential nominee Geraldine Ferraro at a Nashville news conference.

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"In the South we must make a shift from the racial battleground to the economic common ground," Jackson said in Nashville. "The South will rise again, but we will rise together."

Jackson predicted Mondale and Ms. Ferraro will carry Tennessee and said he was encouraged by major increases in voter registration reported by state officials Tuesday apparently favor the Democratic ticket.

Jackson said blacks will turn out heavily in favor of Democrats. "The black leadership will deliver its share of the meal to the banquet table," he said.

During the Chattanooga rally, Jackson also accused the president of following a double standard on human rights and implementing an economic and tax policy benefitting the rich at the expense of the poor.

The Reagan administration has blasted the Soviet Union for humam rights violations yet has supported governments in South Africa and the Philippines that are guilty of similar atrocities, Jackson said.

"Mr. Reagan, play the game by one set of rules," Jackson said.

Under Reagan, companies like General Electric and General Motors have made billion of dollars in profits but have paid no taxes, Jackson said. Meanwhile, one of every five Americans is hungry or malnourished, he said, while 35 million people, including 24 million whites, are unemployed.

He also criticized the president for diluting the power of the Civil Rights Commission and for his opposition to the Equal Rights Amendment.

"The ERA is not just a woman's bill. That's a family bill. You cannot protect boys and girls unless you enfranchise their mothers ... " Jackson said.

"The family of Mary and Joseph would have been split under Reaganomics. Mary could not have gotten aid as a woman for her infant child. Under Reaganomics, Jesus' family could not have gotten in the inn and would not have had a civil rights commission to protect them. Jesus might have froze to death in the stable because he couldn't have gotten energy assistance."

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The Associated Press Political Service

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HEADLINE: Jackson's last-day cry: "We can win this election"

ELECTION-YEAR: 1984

DATE: November 5, 1984

STATE: Georgia; National

OFFICE: President

BYLINE: By ROBERT BYRD, Associated Press Writer

BODY:

ATLANTA (AP) -- The Rev. Jesse Jackson, at an emotional election-eve rally in Atlanta, proclaimed that "we can win this election" and urged supporters of Democrat Walter Mondale not to let pollsters and prognosticators break their spirit.

Jackson's downtown rally came less than 24 hours before the polls open in Tuesday's election. Georgia Republican leaders also took the chance for some final-day campaigning Monday, touring the state in support of President Reagan and other GOP candidates.

Jackson, speaking to a racially mixed crowd of 2,000 office workers and inner city residents in Atlanta's Central City Park, discounted Mondale's second-place standing in the polls, some of which showed him 11 to 25 percentage points behind.

"We can win this election. Don't let them break your spirit," Jackson shouted. "This ain't the first time we've been discounted.

"The polls said I wouldn't run (for the Democratic presidential nomination), but I did. The polls said I wouldn't finish, but I did. The polls said I wouldn't get 10 percent; I got 23 percent. The polls said Truman wouldn't win, but he did. The polls said John Kennedy wouldn't win, but he did.

"Now they say Mondale won't win. But he will."

Jackson, drawing thunderous cheers, also drew frequent parallels between Mondale's struggle and the civil rights movement. "The Lord we serve did not bring us this far to leave us now," Jackson cried. "We've always been undercounted and discounted."

But, acknowledging the possibility of a second Reagan term, Jackson said the issues in America will remain the same.

"I don't care how it goes down, as long as there is a (CIA) murder manual in Nicaragua.... God is not mocked. And that which a nation sows, that will it reap."

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Noting his own work in speaking around the country for the Mondale-Ferraro ticket, he said blacks, women and minority voters "must break records tomorrow" and vote in dramatic numbers. "If I can travel around the nation, you can walk down the street and vote," he told the crowd.

While Jackson was rallying Democratic voters in Atlanta, Georgia Republican Party Chairman Bob Bell joined other GOP officials for a "fly-round" to tout the Reagan-Bush campaign elsewhere in the state.

Before leaving Macon for stops in Augusta, Savannah, Albany, Columbus and Atlanta, Bell said the election "boils down to one simple question; that is, what kind of government do you want? Those people who want Ronald Reagan need to go out and vote for him."

Accompanying Bell were Macon Mayor George Israel, state chairman of the Reagan-Bush campaign, and Joyce Carter, a Republican candidate for the Public Service Commission.

Two recent polls -- a nine-state Southern poll by Atlanta pollster Claibourne Darden and a poll of likely Georgia voters by the University of Georgia -- both point to a Reagan sweep in the state.

Turnout in Georgia is predicted at 62-64 percent, according to the secretary of state's office. The state has about 2.7 million registered voters (78 percent of the 3.8 million eligible), and about 1.7 million of them are expected to vote, said press secretary Steve Dykes.

"Almost 200,000 new voters have been added since the cutoff for the (August) primary," Dykes said. "They're interested in something, and obviously it's the presidential election."

But a Tifton-based researcher with the University of Georgia Extension Service expects Georgia's historically bad voting record to continue Tuesday with a turnout of just 46-47 percent.

Rural sociologist Douglas Bachtel noted that Georgia ranked 49th among the states in voting percentage in 1976, when Jimmy Carter ran for president.

"If we can't get out the vote for a native son, how are we going to get excited about a candidate from California or Minnesota?" asked Bachtel.

In other races on the state ballot, U.S. Sen. Sam Nunn, a Democrat, is expected to be a landslide winner over Republican Mike Hicks, and six congressional seats are contested.

The hottest congressional races have been in the 4th District, where Democratic incumbent Elliott Levitas is opposed by Republican Pat Swindall; the 6th District, where the state's lone GOP congressman, Newt Gingrich, is being challenged by Democratic state Rep. Gerald Johnson, and the 7th District, where Democrat Buddy Darden is opposed by Republican challenger Bill Bronson.

Federal observers will be stationed at polls in Baldwin County Tuesday, and the Justice Department has announced that Georgia voters may call 404-221-3468 if they have complaints about racially discriminatory voting practices.

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The Associated Press Political Service November 5, 1984

The Baldwin County observers are among 358 to be stationed in four Southern states at the direction of Attorney General William French Smith.

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The Associated Press Political Service

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HEADLINE: Jesse Jackson says Reagan record "big lie"

ELECTION-YEAR: 1988

DATE: October 10, 1986

STATE: National

OFFICE: President

BYLINE: By BERNARD SCHOENBURG, Associated Press Writer

BODY:

CHICAGO (AP) -- President Reagan is entering talks with Soviet leader Mikhail Gorbachev with lowered credibility because of a pattern of "disinformation" coming from the administration, the Rev. Jesse Jackson says.

And Jackson said Thursday Reagan could face impeachment if all details of one recent event -- the downing of a cargo plane carrying guns in Nicaragua -- come to light.

"We go really having lost our moral edge in this dialogue," Jackson said of the mini-summit meeting in Reykjavik, Iceland.

"This is an administration whose credibility among the American people is being stretched to the limit," the civil rights leader said at a news conference.

The administration's response Sunday to the downing of the cargo plane, and the resignation Wednesday of Bernard Kalb as a foreign policy spokesman are only two results of what Jackson said was the continuing Reagan "disinformation" policy.

"It is not an overstatement to say that the Reagan administration could best be characterized as big lie," Jackson said.

Two Americans and another man were killed in the crash of the cargo plane, and another American, Eugene Hasenfus, parachuted to safety and is being held by the Nicaraguan government.

Kalb resigned because he said he worried the administration's alleged "disinformation" campaign against Libya had hurt the credibility of the United States.

"Disinformation" is the planting of false information with the media to undermine an adversary of the government.

Jackson said reported links between the cargo plane and the CIA, as well as Reagan's "positive statements" about the event, give evidence the United

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States is waging an "undeclared war" against Nicaragua.

"The circumstantial evidence is overwhelming" that the U.S. government knew of operations of the cargo plane, which apparently was supplying the Contras attempting to overthrow the Sandinistas, Jackson said.

"Congress must investigate this," Jackson said. "Certainly, if the investigation moves swiftly and properly, it really could be grounds for impeachment."

Jackson also said he has been in touch with Nicaraguan church and government leaders, and they are willing to negotiate with the United States. He said Congress should pull back its $100 million in aid to the Contras.

The former presidential candidate also said recent disclosures about alleged disinformation concerning Libya give credence to those who have accused the administration of giving the public bad information in several areas during six years of Reagan's presidency -- on domestic as well as foreign issues.

Jackson also said Reagan's advisers keep the president from the press, because if access to the president was allowed, "this house built on sand disinformation, deception, corruption, propaganda and lies -- would come tumbling down."

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LEVEL 2 - 7 OF 41 STORIES

The Associated Press Political Service

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HEADLINE: Bush Takes on Robertson; Dukakis Criticizes Gephardt

DATE: February 27, 1988

BYLINE: By ROBERT FURLOW, Associated Press Writer

KEYWORD: Political-Roundup

BODY:

George Bush took his strongest verbal shots yet at GOP rival Pat Robertson Friday, accusing him of frightening voters with loose talk and challenging Robertson to "prove it." Democrat Michael Dukakis took new jabs at Richard Gephardt's record on taxes.

Dukakis, campaigning in Austin, Texas, called President Reagan's 1981 tax cut "one of the biggest mistakes in recent American history" and also asserted that "building walls around America" is a serious mistake.

He didn't mention anyone by name, but he has strongly criticized Gephardt for voting for the Reagan bill and for sponsoring what critics contend is protectionist trade legislation.

Dukakis and Gephardt were among the Democrats gathering for a dinner Friday night and then a debate Saturday in Atlanta, heart of the South which dominates the 20-state delegate bonanza on March 8, known as Super Tuesday. The Massachusetts governor and the Missouri congressman split the first four major Democratic contests and have been attacking each other ever since.

Bush, Republican Sen. Bob Dole of Kansas and Rep. Jack Kemp of New York and Democratic Sen. Albert Gore Jr. of Tennessee made strong comments objecting to events in Panama, with the vice president declaring "we will do whatever is necessary" to protect American interests and Gore suggesting economic sanctions.

Dole echoed his rival's words during a rally in St. Louis where he warned Noriega: "If you think you can put the heat on us by meddling around with the canal _ we will do whatever is necessary, including the use of military force, to protect our security interests and the lives of American citizens."

Jesse Jackson, in Florida, said the United States, particularly the Central Intelligence Agency, has been "an accomplice" to Panama military strong man Manuel Antonio Noriega, and he said Noriega's alleged involvement in drug trafficking is another example of the failure of U.S. foreign policy to take the drug threat seriously.

Gore, also campaigning in Florida, addressed another Latin American subject, calling on his rivals to support a humanitarian-aid package, now pending in Congress, for the Nicaraguan Contras.

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Maine Republicans began a weekend of caucuses with representatives of Bush and Dole teaming up to stop Robertson's supporters. The state's Democrats were to meet Sunday, with Massachusetts Gov. Michael Dukakis the apparent sure winner.

Robertson supporters warred with Bush backers over voting rules Friday night at the Republican caucus in Portland, Maine's largest city. State party chairwoman Karen Stram, watching the Portland voting, said the turnout was at least three times the size of previous years.

In Washington, the State Department said it had no record of contact with Robertson's Christian Broadcasting Network at the time of the hijacking of a TWA plane to Beirut in 1985. Robertson said this week his network had had information about the whereabouts of hostages from the plane and that the information had been relayed to the State Department, which "must have dismissed what we had to say or else they didn't refer it up the line to the president."

President Reagan expressed skepticism in his Wednesday night news conference, and the department said in a statement Friday: "In the twice-daily reports prepared by the TWA 847 task force, there is no mention of any such communication by CBN. The officials we contacted who worked on the task force also do not recall such a communication."

In other campaign developments Friday:

_ Three Democrats _ Gore, Gephardt and Jackson _ campaigned in Jacksonville, Fla., making speeches in the second-largest Super Tuesday state. Gephardt blasted Miami-based Eastern Airlines for decisions he said symbolize an attitude among U.S. corporations emphasizing "quick paper profits."

_ Dole, campaigning in Texas, picked up the endorsement of former Gov. John Connolly, saying it would be "a shot heard around Texas," the largest Super Tuesday state.

_ Robertson, in Dallas, told students at the Baptist Christian Academy that he wanted "to see America once again return to the fundamental faith that she had, the faith of our fathers, to go back to our faith in God and go back to individual self-reliance to go back to a feeling of community, to go back to strong family values."

Bush, in Greenville, S.C., also talked of religion in remarks to about two dozen fundamentalist and evangelical church leaders. He said he had been frustrated by the administration's lack of success in bringing back prayer in public schools.

In separate remarks to the South Carolina Press Association, Bush made his most forceful criticism to date of Robertson, the former television evangelist who hopes to capitalize on fundamentalist support in the Southern state to win its GOP primary on March 5.

Bush listed recent Robertson campaign statements, including his contention that there are Soviet missiles in Cuba, his suggestion that Bush was behind the timing of revelations concerning sexual misconduct by TV evangelist Jimmy Swaggart and his campaign's statement that Robertson pulled out of a Dallas debate because questions had been leaked to Bush.

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After each assertion, Bush demanded, "Prove it."

"If you make such an allegation, the American sense of fair play says, prove it," Bush said.

"If you think there's Cuban missiles _ scaring the American people _ what's your facts?"

Robertson has denied he directly linked the Bush campaign and stories about Swaggart. And on Thursday, in Tulsa, Okla., he accused the news media of misrepresenting his remarks on various issues.

On Panama, neither Bush nor Gore called for quick military intervention, though Bush raised the possibility of such action, in response to the ouster of Panama's president who tried to fire Noriega.

"We will do whatever is necessary to protect American interests in Panama," Bush said. "I don't want to rattle any sabers. ... But we would obviously as the United States, and I would, reserve the right to do whatever is necessary, including military force, to protect America's sacred interest in that region of the world."

Gore said it was premature to talk of military action and suggested that the United States could cut off trade and remove American dependents from Panama.

Kemp, in South Carolina, said the United States should not rule out military force in removing Noriega because he "represents a threat to the Panama Canal."

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LEVEL 1 - 7 OF 13 STORIES

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March 7, 1988, Monday, Final Edition

SECTION: FIRST SECTION; PAGE A15

LENGTH: 1222 words

HEADLINE: Jackson's Agenda Rooted in World View of Villains and Victims

SERIES: THE CAMPAIGN OF 1988, Occasional

BYLINE: David Maraniss, Washington Post Staff Writer

DATELINE: MIAMI

BODY:

Among the presidential candidates of 1988, Jesse L. Jackson has both the least and most in common with President Reagan. On the issues of governing America and establishing its role in the world, they are poles apart, yet they share an unusual ability to symbolize a well-defined set of values.

As Jackson correctly boasts, in the face of expensive television campaigns waged by his Democratic opponents, there is no need for him to craft and refine his message in 30-second commercials. If the election were only a search for the next Great Communicator, the 46-year-old ordained Baptist preacher might be the prohibitive favorite.

His political agenda derives from three social movements -- civil rights, peace and populism -- with a distinguishing touch of moralism on the subjects of drugs and self-responsibility. From Iowa to New Hampshire and down to what he calls the New South, the battleground of the "Super Tuesday" primaries, Jackson has presented a world view with clear-cut villains and victims.

He has broadened his cast of victims to include family farmers and blue-collar workers who, he says, share "common ground" with his traditional constituents -- the poor, the black and the rejected. The villains are multinational corporations, corporate raiders and the Reagan administration, all of whom he has accused of inflicting "economic violence" on the rest. Twenty years after the assassination of Jackson's mentor, the Rev. Martin Luther King Jr., social justice has been achieved in the South and elsewhere, he says, but economic justice has not.

He would pursue it by protecting farmers from foreclosures and workers from plant closings, raising the minimum wage, adopting a workers' bill of rights and emphasizing universal health insurance, prenatal care, day care and education.

Jackson clothes his ideas in unforgettable aphorisms such as: "Better day care and health care on the front side of life than jail care and welfare on the back side." But there is more certainty about what he would like to do than how he would accomplish it.

During an interview on a campaign flight from west Texas to Miami a few days ago, he was asked to assume the role of President Jackson and describe what he would do in the first 100 days of his administration. Jackson first treated

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the question as a joke, pulling his hat over his eyes before giving it serious consideration.

He said his first step would be to convene a bipartisan domestic summit conference at Camp David focusing on the federal deficit. Mayors, governors and investment bankers would be invited along with members of Congress. Among the proposals President Jackson would present at the summit: raise the taxes of the richest percentile of Americans; restore many of the corporate taxes cut in 1981; demand that Europe and Japan pay more for their defense; borrow against public pension funds to rebuild America with affordable housing and energy-efficient transit.

His second domestic priority would be to stem the flow of drugs into the United States. He said he would appoint a drug czar, "similar to President Carter's energy czar," to deal with what he considers "the No. 1 threat to the character of this country." To combat drugs, Jackson would increase funding for the Coast Guard and Border Patrol, provide countries dependent on drug crops with incentives to grow alternative crops, increase rehabilitation programs for drug users and beef up drug education programs.

In his typical campaign speech, Jackson criticizes the Reagan administration for cutting the Coast Guard budget by $ 100 million. The administration complained to Jackson that Congress cut the funds. The candidate responded that even if Congress voted the cuts, Reagan could have opposed them, just as he challenged congressional opposition to contra funding. "He could just say no," Jackson said.

The foreign policy of a Jackson administration, he said, would be based on the principles of self-determination, international law and human rights. He would end all U.S. support of the contras in Nicaragua and promote a nonaggression pact among Central American countries. He never would have allowed the invasion of Grenada. The Central Intelligence Agency's mission would be to gather intelligence. He would eliminate all funding of the Strategic Defense Initiative.

But the essence of Jackson's foreign policy rests with his confidence in his skill as a negotiator -- the talent he displayed in 1984 by getting Navy pilot Lt. Robert Goodman released in Syria and political prisoners set free from Castro's Cuba. His approach to the tensions in the Middle East would be highly personal.

Jackson believes that the only way to end the hostilities in the Middle East is by "ridding Israel of the burden of occupation." He would do that by helping create a Palestinian state -- unarmed, he says -- while at the same time guaranteeing Israel's security. The deal would be struck at a Camp David-type meeting among the leaders of the United States, Israel and the Palestinians. "Major-league negotiations," he said. "No emissaries."

When asked how he would persuade the Israelis to sit down at the negotiating table with PLO leader Yasser Arafat, Jackson expressed confidence that he would find a way. He noted that Reagan began his administration by calling the Soviet Union an evil empire and is ending it by negotiating missile reductions with the Soviets, implying that past rhetoric does not always dictate future decisions.

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"Why is Arafat alive today?" Jackson asked. He answered the question by saying Arafat is alive only because "America and Israel agreed he was more valuable alive than dead."

From Jackson's perspective, Israel is on the wrong side of history in holding occupied territories. In an earlier interview, he compared the situation with the civil rights struggle in the United States. "You never quite know when the time is going to run out on occupation, but surely you know it is inevitable," he said. "It takes place in different ways. Maybe a Rosa Parks who refuses to go to the back of the bus. Maybe an incident on the Gaza at Christmas time."

Jackson has no record from public office on which he can be judged. His only administrative job was as director of Operation PUSH, a Chicago-based self-help group whose primary mission, along with raising the spirits of its constituents through weekly rallies, was to pressure corporations to take more visible economic roles in the black community.

During Jackson's years at PUSH, he was known as a good idea man with weak follow-through. In a bit of doggerel that has been repeated so often that Jackson might now regret it, he described himself as "a tree-shaker, not a jelly-maker." Some Democratic critics of Reagan, who think the president has not paid enough attention to the daily details of his administration, fear that Jackson might resemble Reagan too much in that regard.

Jackson considers the comparison unfair, at least in the context of the Iran-contra affair. "Reagan is not faulted for operating above the minutiae, but for immorality. People found his management style refreshing. The management style was not the problem. The problem was the direction they took, the contempt for other branches of government, the sleaze factor of trading arms for hostages."

GRAPHIC: PHOTO, JESSE L. JACKSON.

TYPE: SERIES, NATIONAL NEWS, INTERVIEW

SUBJECT: BUDGET; INTERNATIONAL AFFAIRS; DRUG ABUSE; FLORIDA; PRESIDENTIAL CANDIDATES; PRESIDENTIAL PRIMARIES; SOUTHERN STATES; POLITICAL CAMPAIGNS; BLACK; ISSUES

NAME: JESSE L. JACKSON

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LEVEL 1 - 3 OF 13 STORIES

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March 19, 1988, Saturday, Home Edition

SECTION: Part 1; Page 22; Column 2; National Desk

LENGTH: 595 words

HEADLINE: POLITICS 88;
JACKSON CHARGES CIA WITH DRUG-DEALING

BYLINE: By THOMAS B. ROSENSTIEL, Times Staff Writer

DATELINE: TOPEKA, Kan.

BODY:

Democratic presidential candidate Jesse Jackson charged Friday that the "CIA is dealing drugs" in association with officials in Central and Latin America.

"Noriega is dealing in drugs," Jackson told a rally at Washburn University one day before the Kansas Democratic caucuses, referring to Panamanian military strongman Manuel A. Noriega, who has been indicted on drug charges in Miami. "The Honduran generals are dealing in drugs. The CIA is dealing in drugs."

In response to questions later, Jackson also said the CIA was implicated in "exchanging drugs for arms" to the Contras in Nicaragua.

'Sleazy Operation'

"The CIA has been involved in the drugs-for-arms operations (with the Contras) and with the Honduran generals," he said. "Some of it came out of the hearings about the Iran-Contra situation. Our dealings with the Contras is a sleazy operation. We are heavily implicated in that situation."

Jackson has referred indirectly to so-called drugs-for-arms operations involving the Contras in earlier stump speeches. But his remarks Friday went further, directly charging the CIA with dealing in drugs, and apparently expanding that to one or more Honduran generals whom Jackson did not name.

When asked if he meant to say that members of the CIA had profited from the selling of drugs, Jackson said: "I'm convinced that our CIA is deeply involved in the sleazy and corrupt behavior in Central America and Latin America, and that we should have a full and complete investigation."

Cites Hearings

When pressed again for further details, Jackson said only: "It did come out in the hearings about the exchanging of drugs for arms with the Contras. It did come out in the hearings.

"We (the United States) are as aware of a Honduran general dealing in drugs as we are of Noriega dealing drugs . . . the reality is our CIA has been involved in that whole drug operation. It is beneath the dignity of our

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government. It should never be allowed to happen again."

Jackson's comments echo charges leveled last month in a Senate Foreign Relations subcommittee inquiry into the narcotics trade. The hearing was headed by Sen. John Kerry (D-Mass.), one of the Contras' and the CIA's most relentless critics.

Kerry's panel has been investigating allegations of drug trafficking by the Contras and other CIA-backed Central Americans, including the Honduran military and Noriega, for more than a year.

More Hearings Planned

It has yet to produce evidence backing allegations that the CIA tolerated drug trafficking by its allies, although Kerry aides say they plan further public hearings this spring.

The CIA has denied any role in or approval of narcotics trafficking. Senate Intelligence Committee officials who recently studied the CIA's ties to Noriega say privately that they found no evidence of misconduct.

State Department officials have previously agreed that some fringe elements of the Contra movement based in Costa Rica -- in particular a rebel branch once headed by charismatic guerrilla Eden Pastora -- had joined in narcotics smuggling into the United States. The United States divorced itself from Pastora's operations in 1984.

Others have alleged that the main U.S.-backed Contra faction, called the FDN, has trafficked in drugs to finance the war and that the CIA has turned a blind eye to the practice. While there are indications that some rebels have smuggled drugs, no evidence of any systematic Contra involvement in the drug trade has been made public.

Staff writer Michael Wines in Washington contributed to this story.

GRAPHIC: Photo, Jesse Jackson cuddles a baby during stop at a Detroit church. United Press International

SUBJECT: DRUG SMUGGLING -- CENTRAL AMERICA; HONDURAS -- ARMED FORCES; DRUG SMUGGLING -- HONDURAS; GUERRILLAS -- NICARAGUA; CENTRAL INTELLIGENCE AGENCY; JACKSON, JESSE; PRESIDENTIAL ELECTIONS -- 1988; PRESIDENTIAL CANDIDATES

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LEVEL 1 - 4 OF 13 STORIES

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March 19, 1988, Saturday, Final Edition

SECTION: FIRST SECTION; PAGE A24

LENGTH: 314 words

HEADLINE: Jackson Says CIA Condones Drug-Trafficking Abroad

BYLINE: Gwen Ifill, Washington Post Staff Writer

DATELINE: TOPEKA, Kan., March 18, 1988

BODY:

Democratic presidential candidate Jesse L. Jackson, campaigning here today, maintained that the Central Intelligence Agency has condoned drug-running operations in Central American countries.

Jackson offered no substantiation for his assertion in statements made to reporters here. He said that some of his statements could be supported by testimony from the Iran-contra congressional hearings last summer. Congressional Iran-contra investigators were unable to substantiate allegations that the Nicaraguan contras were involved in drug smuggling, but other congressional panels are continuing to look into the allegations.

"We are as aware of Honduran generals dealing with drugs as we are of (Panamanian Gen. Manuel Antonio) Noriega dealing with drugs," he said. "The CIA has been involved in the whole drug operation and . . . is very aware of drug trafficking in the area.

"Our CIA is deeply involved in corrupt and sleazy behavior in Central America and Latin America," he said.

Jackson called for a "full and complete" investigation into the alleged drug dealings, which he said are inextricably linked to the Reagan administration's decision to send U.S. troops to Honduras this week.

"What is clear in Central America is that the president is not fighting a war with the Sandinistas," Jackson said. "He is fighting a war with the Congress."

Jackson's comments came two days after the Reagan administration sent 3,100 U.S. troops into Honduras on training exercises.

Jackson had said Thursday that the decision to send troops to Central America was timed by the Reagan administration to divert attention from the disclosures of indictments in the Iran-contra affair.

On ABC News' "Nightline" Thursday, Jackson said that the Reagan administration is engaging in "terminological inexactitude" in saying that the Honduran government had requested U.S. military aid.

GRAPHIC: PHOTO, JESSE L. JACKSON

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TYPE: NATIONAL NEWS

SUBJECT: AMERICA, CENTRAL; HONDURAS; PANAMA; SMUGGLING; PRESIDENTIAL CANDIDATES; NARCOTIC AND DRUG VIOLATIONS; ISSUES

ORGANIZATION: CENTRAL INTELLIGENCE AGENCY

NAME: JESSE L. JACKSON

ENHANCEMENT: IRAN-CONTRA

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LEVEL 1 - 2 OF 13 STORIES

Copyright © 1988 The Times Mirror Company;
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March 27, 1988, Sunday, Home Edition

SECTION: Part 1; Page 22; Column 1; National Desk

LENGTH: 720 words

HEADLINE: 'WORKING MEN AND WOMEN' ARE WINNING, JACKSON SAYS

BYLINE: By THOMAS B. ROSENSTIEL, Times Staff Writer

DATELINE: MILWAUKEE

BODY:

After a week of campaign stops that seemed like revival meetings, of anti-drug speeches at high schools and roaring crowds in union halls, the Rev. Jesse Jackson seemed almost subdued Saturday night.

"It's a lot of poetry," he said of his Michigan victory and his campaign's growing momentum. "A lot of history -- but we also have the most numbers, (so) it's a lot of reality."

Massachusetts Gov. Michael S. Dukakis had conceded defeat in the popular vote more than an hour earlier, and Jackson was preparing to speak at a Democratic dinner here.

"The excitement comes when you consider the common people, the working men and women are winning," he said. "Cab drivers are winning, cooks are winning, maids are winning -- people who want to save their jobs and to save their farms are winning."

Earlier, before the vote count began, Jackson said the fight for the nomination was now coming down to a choice between "the message and the authenticity and the soul of Jesse Jackson versus the money and technology of the opposition."

'People Will Have Spoken'

He also dismissed the notion that Democratic Party leaders might withhold the nomination from him if he is the leader in popular votes and delegates. "The people will have spoken, and we must respect the will of the people. In a democracy, 'we the people' is where the power lies."

Jackson spent caucus day in Michigan touring public housing projects and polling places in Detroit's black ghetto in a last effort to inspire blacks, his core support group, to vote in mass. The results suggest they did so.

At the Sojourner Truth housing project, Jackson's last stop before leaving for Wisconsin, he was joined by legendary civil rights figure Rosa Parks. The 75-year-old Parks -- whose refusal to sit in the back of a bus in Alabama in 1955 prompted the historic Montgomery bus boycott and proved a seminal event in the civil rights movement -- had checked out of a hospital in Baltimore to return to Detroit to vote.

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"If all of us get together and work together, then Jesse Jackson can and will be our President," Parks said in the tiny voice that had been heard round the world a generation ago.

Draws Overflow Crowds

In the week leading up to the caucuses, the campaign was a study in momentum. Jackson drew overflow crowds, most of them 70% to 80% black, and frenzied receptions. On Tuesday, for example, he spoke to more than 10,000 people in five campaign stops; the smallest crowd was 1,000.

By Tuesday, Jackson's staff began to sense it could win, and as the week unfolded, Jackson, who seemed increasingly relaxed and confident, began to refer increasingly to himself in the White House.

"When I get elected, the maid and the janitors and people in wheelchairs will have a friend in the White House," he said at a United Auto Workers rally in Dearborn.

Increasingly too, Jackson in his stump speeches took on not his Democratic rivals but Vice President George Bush, the expected Republican nominee.

He attacked Bush for his silence on such issues as the Iran-Contra scandal, his complicity as CIA director with Panamanian strongman Manuel A. Noriega, and his record as director of the Reagan Administration's task force on drugs.

"Hear nothing, see nothing, say nothing," Jackson taunted in a speech in Grand Rapids.

Doubts About Organization

All week, the enthusiasm was there for all to see. The big question as the caucuses neared was whether Jackson's organization, which barely existed in 1984 in Michigan, could transform the enthusiastic crowds into votes.

The organization this year was still ragged, consisting in large part of church ministers who were willing to spur their congregations and volunteers who took the names of everyone who attended Jackson's rallies and then followed up with phone calls.

Even Saturday, at a rally at Fellowship Chapel in Detroit, the power of the Jackson effort seemed to owe more to the candidate's personality, speaking talent and message than it did to organization.

Frantic Volunteers

At a table where those confused about polling sites were supposed to get information, two volunteers riffled frantically through voter books and tried to write the answer on note cards. Nothing had been printed in advance to save time.

Yet inside, the all-black crowd was roaring.

SUBJECT: JACKSON, JESSE; POLITICAL CAMPAIGNS; PRESIDENTIAL ELECTIONS -- 1988 -- MICHIGAN; PRESIDENTIAL CANDIDATES; BLUE COLLAR WORKERS

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April 5, 1988, Tuesday, Home Edition

SECTION: Part 1; Page 16; Column 1; National Desk

LENGTH: 844 words

HEADLINE: POLITICS 88;
JACKSON ASKS AID FOR PANAMANIANS;
SAYS U.S. SANCTIONS AIMED AT NORIEGA LEAD TO STARVATION

BYLINE: By ROBERT GILLETTE, Times Staff Writer

DATELINE: MILWAUKEE

BODY:

The Rev. Jesse Jackson, in a rare excursion into foreign policy on the eve of the Wisconsin primary, said U.S. economic sanctions aimed at forcing Panama's Gen. Manuel A. Noriega from power are leading to starvation in the country.

Jackson said the sanctions should nevertheless be left in place but should be coupled with humanitarian aid to Panamanians of the kind that Congress has approved for the Nicaraguan Contras.

"The common people are being starved, the common people are going without medicine, are in great anguish and pain, and Noriega is insulated by his wealth and his military," Jackson said in an impassioned speech Monday morning during a campaign walk through a largely Latino neighborhood in South Milwaukee.

Offers No Evidence

Jackson cited no evidence, however, that hunger or starvation had in fact resulted from the Administration's efforts to block the flow of dollars from U.S. to Panamanian banks.

When reporters asked Jackson about the basis of his statement, he replied that it was logical to conclude that, "When people cannot get money, they cannot buy food and they starve."

"I've also talked with people in Panama who feel abandoned . . . who cannot get food, cannot get medical supplies," Jackson said in a later news conference at the University of Wisconsin at Milwaukee.

'Humanitarian Aid'

He added that, "Humanitarian aid is in order" for the Panamanian population, but he stopped short of saying what form it should take, who should supply it and on what scale.

"That's difficult to say," he replied when asked for details.

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Jackson's remarks on the crisis in Panama, which followed Noriega's indictment in the United States in February on drug and racketeering charges, marked a rare and somewhat shaky deviation from his standard stump speech.

The details of his position on Panama seemed to evolve as the day progressed and reporters traveling with the candidate pressed him for clarification.

Views 'Overlapped'

Later in the day, Jackson spoke by telephone with two senior State Department officials, Undersecretary Michael H. Armacost and Deputy Secretary John C. Whitehead, then told reporters that he found his views on the Panamanian crisis "overlapped" the Administration's.

Jackson said the two officials agreed that some humanitarian aid was in order and told him that $275,000 worth had already been sent to Panama. Jackson said this was "too little" but declined to specify how much would be enough.

"Economic sanctions should be continued, but the common people are suffering," Jackson said in calling for outside aid for Panama's population of 2 million.

At the morning street rally, Jackson said at first that the United States should provide food and medicine to Panamanians as it does to the 15,000 Nicaraguan Contras the government is supporting in Central America.

Red Cross, Church

When reporters pressed for details of his proposal, he said only that aid should be dispensed by the International Red Cross and the Roman Catholic Church.

"If, in a day or two, the full-court press of setting the forest on fire to smoke Noriega out had worked, it would have been a more temporary pain," he said.

"But now as the days go on, Noriega is insulated with his wealth and his military. The common people cannot get food, cannot get medicine, some cannot get water."

"We stand the danger . . . of stirring up anti-American hysteria, the kind of nationalism that will limit our impact in the region," Jackson declared.

Urges Investigation

He called for closer cooperation with other Latin American nations in pressuring Noriega to relinquish power. He also urged Congress to investigate the U.S. government's relations with Noriega to learn "what made the relationship go sour" and explore any role that Noriega may have played in circumventing congressional bans on supplying U.S. weapons to the Contras.

"To be sure, our CIA was involved with Noriega for a long time. We've known of his dealings in drugs and guns for a long time, and other leaders in the region as well," Jackson asserted.

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His remarks on Panama were prompted by a reply from Noriega to a letter Jackson sent to him on March 23 urging the Panamanian dictator to resign and offering to help facilitate his departure.

'Great Moral Authority'

Noriega, according to a translation that Jackson's campaign staff released, brushed the appeal aside in diplomatic language and urged Jackson instead to use his "great moral authority" to oppose what he calls the "threat of foreign intervention."

"I have been lied about! I have been vilified," Noriega complained in his letter. "I have been humiliated internationally!"

Jackson said he would leave it to the State Department and to the Senate Foreign Relations Committee to interpret Noriega's reply.

His involvement in the matter, Jackson said, should not be construed as interference in American foreign policy and was no different from his moral appeals to South Africa to end apartheid and to the Soviet Union to give Jews the freedom to leave.

GRAPHIC: Photo, Jesse Jackson shoots a basket Monday during a stop at a playground in Milwaukee. Associated Press

SUBJECT: PRESIDENTIAL ELECTIONS -- 1988 -- WISCONSIN; PRESIDENTIAL CANDIDATES; POLITICAL CAMPAIGNS; JACKSON, JESSE; UNITED STATES -- FOREIGN RELATIONS -- PANAMA; NORIEGA, MANUEL A

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LEVEL 2 - 1 OF 41 STORIES

The Associated Press Political Service

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HEADLINE: Jackson Campaigns Before Racially Diverse, Overflow Crowds in New York

DATE: April 9, 1988

BYLINE: By RITA BEAMISH, Associated Press Writer

DATELINE: BROOKLYN, N.Y.

KEYWORD: Jackson

BODY:

Presidential candidate Jesse Jackson, saying that "people are coming alive" to his presidential candidacy, campaigned Saturday before racially diverse, overflow crowds of New Yorkers.

He avoided direct bickering with Mayor Ed Koch over Jewish concerns, but he did take a sideswipe at Koch when asked if the mayor's negative comments were hurting him in New York.

Jackson said his campaign is focused on "healing," and without mentioning Koch's name, suggested the mayor is heightening black-Jewish tension. In light of various recent incidents of racial violence, he said, "We are already in a very tender situation. And responsible leadership must move to heal people and not extend their fears."

Jackson told each of his enthusiastic audiences from Crown Heights to Coney Island, "I love you very much."

As New York's April 19 primary looms, Jackson also said that in fairness, he should be the overall leader not only in the popular vote to date, but in presidential delegates.

He said he earned the at-large delegates from the Illinois primary last month but is being kept from receiving them by Sen. Paul Simon of Illinois, who is no longer an active candidate but is clinging to his delegates.

Jackson suggested Simon should withdraw formally and said, "I'm simply appealing for consistency and fairness."

Jackson devoted the day of rallies and speeches in Brooklyn to discussing his "economic justice" message and emphasizing his positions on the Caribbean, Haiti, Panama and South Africa.

Crowds that could not fit into the churches and halls where he spoke lined the streets and stood on fire escapes.

Security around Jackson was intense as he waded into the throngs of people who mobbed him, shaking hands and holding babies.

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Jackson called his campaign "hope reborn" and said, "People are coming alive."

In trendy Park Slope, Jackson addressed a racially mixed outdoor rally of a few thousand.

In Crown Heights, he was greeted by a steel drum Calypso band, and he delighted the sidewalk crowd by taking up a tambourine and bouncing to the beat.

In Coney Island, several hundred screaming supporters lined the block outside the church where he was to speak, chanting "Go Jesse."

But he was dogged by questions about Koch's criticisms, most recently in Saturday's New York Times where Koch was quoted as saying Jackson is evading talking about issues of concern to Jews.

As the candidate emerged from speaking to a wildly enthusiastic black audience in St. Mark's Episcopal Church, about two dozen dark-suited Orthodox Jewish men stood somberly at the edge of about 200 supporters waiting outside.

They listened quietly while the rest of the onlookers cheered Jackson wildly as he talked about brotherhood.

The group said they came out of curiosity. One, who declined to give his name because he said he should not give interviews on the Sabbath, said he planned to vote for Massachusetts Gov. Michael Dukakis, and that if Jackson wins the Democratic nomination, "I'll vote Republican."

Another said he was supporting Sen. Albert Gore Jr. of Tennessee, but of Jackson, he said, "I think he's great. I just wish he knew more about the Middle East."

In an impromptu address to the crowd, Jackson shouted without a microphone about New York's multicultural, multi-ethnic character.

"We seek to draw people together across lines of race and sex and religion," he said to rapt cheers from the largely black crowd.

"We know what makes us different _ our race, our sex, our religion, our culture. But what binds us together?"

In answer, he listed central issues of his candidacy: economic justice, fighting drugs, improving child care and education.

Later, Jackson told reporters seeking his reaction to Koch's remarks, "We are dealing with a highly politicized situation and you expect some of that but we'll keep our eyes on our real agenda."

He refused to be drawn into a tit-for-tat with Koch.

"Our campaign is an outreach campaign," he said. "We're going to keep it at that level."

However, he denied evading any issues, noting that he has spoken often about the Middle East. He supports a Palestinian homeland and repeated Saturday his

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call for recognition of Israel by the Arab states.

On foreign policy, Jackson said the United States should demand free and fair elections and human rights in Haiti.

He called for U.S. humanitarian aid to the Panamanian people who are suffering under U.S. sanctions aimed at ousting Panamanian strong man General Manuel Noriega.

He said he supports the sanctions, but also said there should be a congressional investigation of the CIA 's past role with Noriega.

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The Washington Post E-11
The New York Times
The Washington Times
The Wall Street Journal
The Christian Science Monitor
New York Daily News
USA Today
The Chicago Tribune

Date 14 APR 1988

Reagan Says Race Shielding Jackson

More Attention 'Paid to His Color Than What He Is Actually Saying'

By Lou Cannon
Washington Post Staff Writer

President Reagan said yesterday that Democratic presidential candidate Jesse L. Jackson has been spared criticism of his policies because of his race and that more attention "is being paid to his color than what he is actually saying."

In response to a question from a member of the American Society of Newspaper Editors, Reagan said, "I have to believe that a great many of us would find ourselves in great disagreement with the policies he is proposing and would perhaps be more vocal about them if it wasn't for concern that that would be misinterpreted as some kind of racial attack."

Reagan said he also had a "great deal of disagreement" with the views of other Democratic presidential candidates.

Reagan ignored another part of the question, which asked him to evaluate race relations in the United States. But he said "the most frustrating thing" he had endured as president was that he had been "portrayed so often as in some way a racist and prejudiced with regard to racial matters."

Reagan said that was "hard for me to take" because had grown up in a family where prejudice was considered "the greatest sin." He then launched into an account of how, as a sports announcer more than 50 years ago, he had favored allowing black baseball players into the major leagues.

Campaigning in upstate New York, Jackson seemed delighted at Reagan's comments. "As we get closer to the White House," he told a boisterous crowd in Syracuse, "they hear our footprints coming, and they get frightened.

"Today, even Reagan got into the act . . . . I know why Reagan's reacting. Because we're demanding a full investigation of the connection between the CIA and drug-peddling in Central America.

"I know why he's reacting to this campaign—because some people who voted for him are voting for me," Jackson said.

In a speech and wide-ranging question session with the editors at their convention here, the president also:

- Said he expected Afghanistan rebels to continue fighting after agreements are signed today in Geneva providing for withdrawal of 115,000 Soviet troops after eight years of occupation. Reagan said the United States can supply the resistance forces, which oppose the settlement, "as long as they need it and as long as the Soviet Union continues to supply the Afghan forces in their puppet government."
- Expressed skepticism about the willingness of the Marxist Nicaraguan government to make democratic reforms but declined to say what his administration would do if that does not happen.
- Gave a vote of confidence to the American banking system, while acknowledging that "it has some troubles" because of "problems that were left with us by double-digit inflation . . . ."

Reagan said he does not think that the problems were of such a magnitude that would "suddenly bring disaster down upon us and end this expansion and economic growth we're having."

In a speech to business executives Wednesday, Reagan celebrated the 65th month of economic prosperity and credited it to his policies of cutting tax rates and reducing excessive regulations.

"If we can continue the pro-growth policies of the last seven years, I believe that the next decade will be known as the 'Roaring Nineties,' " Reagan said.

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The New York Times
The Washington Times
The Wall Street Journal
The Christian Science Monitor
New York Daily News
USA Today
The Chicago Tribune
DETROIT NEWS (MI)
Date 1 March 1988

Lawyer says drug suspect was CIA contra contact

By Mike Martindale
News Staff Writer

The attorney for one of eight people scheduled to go on trial in Detroit this month on drug trafficking charges says another of the defendants is free — and missing — because he was a U.S. agent helping the CIA supply the contra rebels in Nicaragua.

Lawyer Ronald C. Dresnick said his client, Frank Ivan Turek Correa of Colombia, and seven other people were indicted Sept. 24 on charges of conspiring to import tons of marijuana and cocaine into Michigan between July 1987 and Sept. 6, 1987.

Only Michael B. Palmer went free, said Dresnick, of Miami, whose client will face trial in Detroit March 15 before U.S. District Judge Anna Diggs Taylor.

"Palmer is an agent of the U.S. government involved with the illegal supply of arms to Contra rebels in Nicaragua," Dresnick wrote Taylor in October. "It is believed Palmer works on a contract basis with the Central Intelligence Agency and that fear of exposure of illegal activities by Palmer has led the government to take the extraordinary measure of dismissal of charges against Palmer."

Assistant U.S. Attorney Robert Donaldson called Dresnick's defense "a red herring."

Dresnick has subpoenaed Lt. Col. Oliver North, who was fired as a National Security Council aide last year, to tell what he knows about Palmer, 39, a former Delta Airlines pilot. Palmer received an honorable discharge from the U.S. Air Force in 1972. North could not be reached for comment.

Dresnick claims Palmer flew drug flights for himself and others from 1980 to 1987 and that he was on the U.S. payroll at the time.

Dresnick said in a filing in the case that the DC-6 flown from Columbia to Grosse Ile was once owned by Vortex Air International, of which Palmer was vice-president. Palmer also worked for Southern Air Transport, "well known to be a CIA operation," Dresnick wrote.

Dresnick also said that in March 1987, a DC-6 arriving in Miami from Honduras was searched by customs officers until Palmer appeared and said his firm "ran the flight for the State Department" and that officers would get in "big trouble" for the inspection. The CIA acknowledged that "it's our flight," and the plane was let through, according to the attorney.

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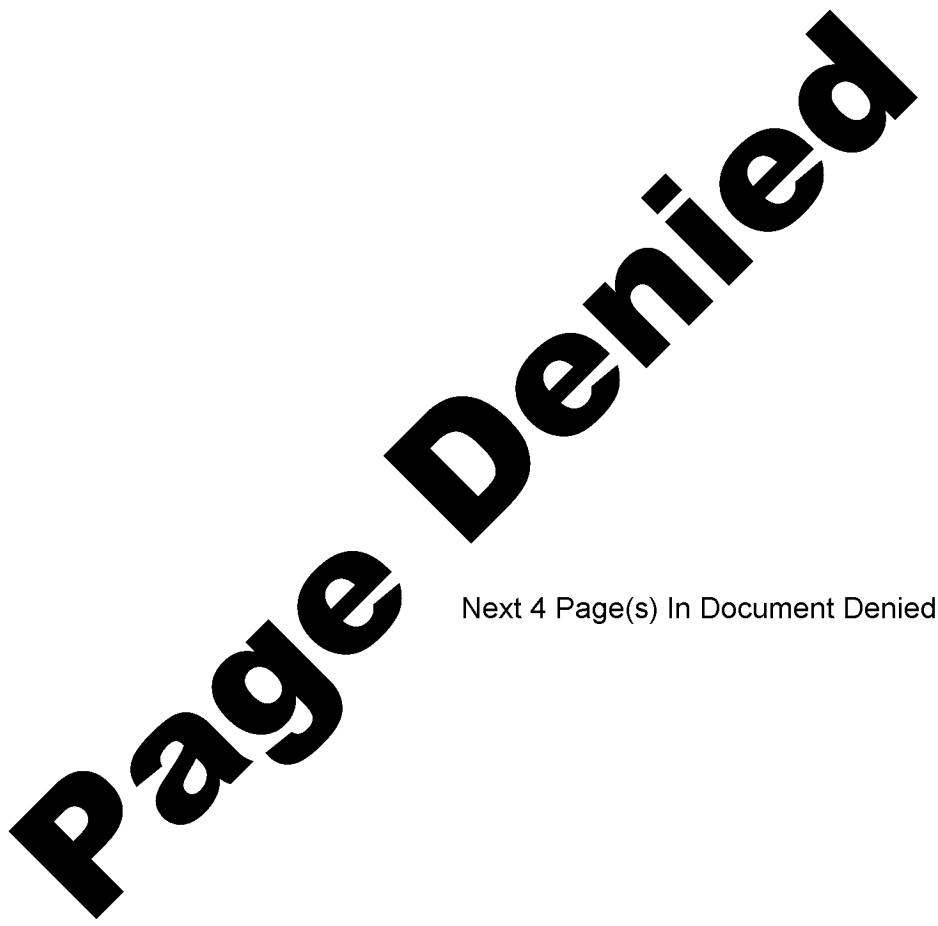

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1 APR 1988

Bob:

Attached is the portions of the DIA study that you asked for. In addition, I've sent along the two chapters of the book, Out of Control, that STAT mentioned in the meeting this afternoon.

If you need anything else just have Diane give us a call.

STAT

Director,

OGI

Office of Global Issues

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Chapter Nine

THE COCAINE CONNECTION

"Ask about cocaine."
—A banner unfurled by a spectator at the Iran-contra hearings
July 1987

The elegantly dressed man sitting in the beautifully manicured garden was talking about the everyday facts of life of his business. "There seems to be a big to-do about the CIA having connections with drugs," he explained patiently. "It might be news now, but it's something that has been quite prevalent for quite some time. Outside of the United States, drug dealers are very powerful people. They have the ability to put governments in power or topple them, if they do it subtly. They have cash. The CIA deals primarily with items outside of the U.S. If they want to deal in foreign countries' policies and politics, they are going to run up against, or run with, the drug dealers. It can't be done any other way . . . if the end result is for the benefit of everyone, it usually works. You know, whether the players are the contras today or the Tupamaros or whatever, as far as I've been able to see, that's the way it's always been."

Ramón Milian-Rodriguez can safely be described as an expert in his subject. Until his indictment in 1983 he was one of the world's busiest money launderers, running $200 million a month through his

Panama-based operation. Milian-Rodriguez's most famous clients were Pablo Escobar and Jorge Ochoa, who together made up the Colombian cocaine cartel that controls 40 percent of the world market. At the height of his career the accountant ran six distribution centers in major U.S. cities to expedite the movement and hiding of drug cash. In order to keep his business running in Panama, Milian-Rodriguez paid Panamanian leader Gen. Manuel Antonio Noriega $4 million a month. That paid for the privilege of continuing to do drug business.

Milian-Rodriguez was convicted in December 1985 on no less than sixty counts of racketeering and laundering narcotics money, a record that earned him a starring role in a *Forbes* magazine cover story on fashionable havens for loose cash. "Your background," boomed the judge at his trial, "was almost the American dream." He was sentenced to thirty-five years and fined $6,495,000, which at the time was the largest fine in U.S. history. He was thirty-four at the time. The federal agents who arrested him found $5.4 million in cash on hand, and Vice President Bush rushed to Miami to pose with the stacks of bills as a public relations coup for the war on drugs.

In the spring of 1987 the trim and elegant Cuban, his suntan and wardrobe seemingly unaffected by incarceration, was serving his time at a "country club" prison of the kind reserved for high-class or well-connected offenders, which is why he was able to receive us beside a garden beautifully manicured by the inmates. He himself had already risen to be chief orderly in the hospital.

It was the first time that anyone had come to ask him about his dealings with the CIA and the contras, despite the fact that one exhibit at his trial had been a spreadsheet of financial accounts with one column, totaling over three and a half million dollars, boldly labeled "CIA."

The connection between the CIA, Oliver North's network, and the drug trade floated just below the surface throughout the public investigations of the Iran-contra scandal. Whenever the subject was raised in open hearings administration witnesses treated it with open derision. North himself, in a prepared statement read to the Iran-contra committees, stated, "Some said . . . that I condoned drug trafficking to generate funds for the contras. . . . These and many other stories are patently untrue."

Others knew better, and one of them was Ramon Milian-Rodriguez. Just about the time North was making his affecting pitch to the congressional select committees investigating the Iran-contra

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affair and to the TV audience, Milian-Rodriguez was also addressing a group of senators. They were members of the subcommittee set up by the Foreign Relations Committee in order to probe unwholesome allegations of a CIA-contra-narcotics link.

Unlike North, Milian-Rodriguez did not have a TV audience to play to, since the senators had decided that his information was rather too explosive to be shared with the American people. He had been subpoenaed to testify how he and his clients in the cocaine cartel had been solicited to help the contras, and how they had wholeheartedly responded with cash and services. Nicaragua had first crossed his ledgers back in the mid-1970s, when he had arranged for the covert delivery of "$30 to $40 million," as he recalled, from the CIA to Anastasio Somoza. But his connection with the agency had begun long before that. When he graduated from Santa Clara Business School his mentor was Manuel Artime, one of the grand old men of the Miami Cuban community. Artime had been political head of Brigade 2506 at the time of the Bay of Pigs (selected for the post by Watergate conspirator E. Howard Hunt). Artime had arranged for his bright young protégé to take instruction in the finer points of money laundering from old associates at the CIA. Young Milian-Rodriguez's apprenticeship in the business was to arrange $200,000 individual payments for the Cuban burglars jailed for their part in the Watergate break-in. "They were real men," Milian notes approvingly; "they didn't talk, like Haldeman and Ehrlichman."

Good relations with government are as important for the cocaine trade as for any other billion-dollar business, and the accountant continued to make himself useful in this regard. Indeed, in 1981 he was actually invited to the presidential inauguration in recognition of the $180,000 in campaign contributions from his clients (the cocaine cartel) that he had channeled to the victorious camp in thousand-dollar lots.—"Reagan was our kind of candidate."

Given these kinds of credentials and associations it is hardly surprising that Milian and his clients should have been called on to do their bit for the contras. In an interview in June 1987, Milian casually disclosed what may be the most shocking revelation in the entire Iran-contra affair. He said he had laundered a $10 million contribution from the Colombian cocaine cartel to the "freedom fighters," at the behest of a CIA veteran and key figure in the White House contra supply network. Milian repeated his story under oath to the members of the Senate Foreign Relation Subcommittee on Terrorism and Narcotics in July. The hearing room in the Capitol was

surrounded by heavy security; the session was closed to the public and the press. Senate staffers were warned not to leak the explosive information.

Ten million dollars in cash was disbursed, the accountant told the senators, through an established network of couriers in Miami, Guatemala, Costa Rica, and Honduras. The first payments were made, Milian testified, in late 1982 and continued through 1985. The accounting spreadsheet, seized with approximately five hundred documents when Milian was arrested in 1983, lists a $3,690,000 expenditure, in a column marked "CIA." This November 1982 entry, said Milian, represented a portion of the cartel's contra aid program.

Such largesse did not come unsolicited, according to the accountant. Payments were made at the request of an old friend and CIA veteran, who along with Milian was a longtime associate of Bay of Pigs leader Manuel Artime. The old friend, Milian told the Senate subcommittee, was Felix Rodriguez, the shooter team alumnus who wore Che Guevara's watch and counted George Bush among his friends. From the cartel's point of view, the $10 million outlay was petty cash. It bought, according to Milian, influence and "goodwill." It was in line with the "conservative politics" of cartel members, he explained, who considered the contra forces substandard (in contrast to the cartel's own crack mercenary force) but fighting for the right cause. Milian named contra leader Adolfo Calero, among others, as one of the recipients of the cash transfers. The allocation of the money "drops" was the responsibility of Felix Rodriguez. "Felix would call me with instructions on where to send the money."

When Felix Rodriguez took the stand behind closed doors in August 1987, he told the committee that he was indeed an old friend of Ramón Milian. Rodriguez claimed he had never solicited drug money. Yet the drug accountant's intimate involvement with a U.S. government–approved contra supplier raised serious doubts about Felix Rodriguez's testimony, as did the veteran CIA man's former business partners.

In late 1984, Milian said, Felix Rodriguez called the accountant for another favor. His expertise was needed to launder cash from a dozen or so Miami companies to the contras. It was about that time that Felix Rodriguez's former business partner, Gerard Latchinian (they were both directors of the Giro Aviation Corp.), was arrested by the FBI for smuggling $10.3 million worth of cocaine into the U.S. to finance a coup against the president of Honduras, Roberto Suazo Cordova. Latchinian has always stoutly maintained that the cocaine

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deal was part of a CIA operation. The insalubrious associations publicly revealed by the Latchinian case certainly never seemed to trouble Felix Rodriguez's high-powered friends like George Bush or Oliver North.

One of the companies on which Felix Rodriguez asked Ramón Milian-Rodriguez to "look favorably" was called Ocean Hunter, which was later to provide part of the grounds for Steven Carr's well-justified pessimism about reaching his thirtieth birthday.

For Milian, the amounts involved in the Ocean Hunter–contra transactions were negligible compared with his $2.5-billion-a-year money-laundering operation. The Ocean Hunter account required moving only about $200,000 a month—"cash money . . . to a designated courier, I'd say never less than fifty thousand dollars" in one drop. But $200,000 a month to the contras from one company alone was by no means a negligible amount for the war effort.

One of Ocean Hunter's partners was Paco Chanes, the man from whose house Steven Carr had picked up a large assortment of arms, and where he had seen three kilos of cocaine. Carr had glimpsed only three kilos, but Jesus Garcia, who was with him at the time, knew that was only a part of an enormous shipment of 350 kilos just arrived from Costa Rica.

Officially, at least, Chanes was in the shrimp business. Ocean Hunter shipped blast-frozen shrimp from Costa Rica to Florida. The company made no pretensions to corporate respectability. Headquarters was a hole-in-the-wall upstairs office in a run-down Miami shopping center, with "Ocean Hunter" scrawled on a scrap of lined paper Scotch-taped to the glass door. Inside were a handful of well-built Cubans and a grizzled "cracker" American sporting a baseball cap and a well-chewed cigar. There was no shrimp in sight save for a sticker that read "Prueba Mr. Shrimp" (The Proof Mr. Shrimp) underneath a picture of a hamburger. It transpired that Mr. Shrimp was the name of another of the many companies listed in the name either of Chanes or of one of his partners—companies that seemed to come and go as fast as the filing of annual reports with the state of Florida. Aquarius America and NCP Trading, for example, were now defunct, leaving a trail of curious addresses including an old-people's home and a berth in a warehouse building where the landlord complained of unpaid bills and men who came and went with suitcases full of cash. (According to Ramón Milian-Rodriguez, Ocean Hunter had originally been set up as a vehicle for buying shrimp

from boats operating out of Fidel Castro's Cuba, thus breaking the U.S. trade embargo. A nicely ironic touch.)

The atmosphere in the Ocean Hunter office was decidedly cool to uninvited outsiders, as I discovered when I paid a visit with a CBS News team in June 1986. Simple questions such as "What do you do here?" were received in stony silence. Apart from the hamburger poster the only clue to the business was a detailed map of Costa Rica pinned to the wall. The corporate records listed a certain Luis Rodriguez as president. He also refused to say what the company did. As it happens, this Rodriguez had, according to Panamanian records, been a business partner of Ramón Milian-Rodriguez back in 1979 in two companies called Ahoremusa Holdings S.A. and Akaba Investments S.A. Sources in the U.S. Customs Service describe Luis as a major cocaine trafficker. Santiago Rosell of Miami was described in the records as a director. Rosell, a lawyer, initially claimed he had never heard of Ocean Hunter, then subsequently conceded that he might have drawn up the corporate papers.

It is hardly surprising that the corporate officers were somewhat reticent about their enterprise. As Jesus Garcia, who knew a lot about Chanes and his associates, put it, "It was just a front. What they wanted to import was cocaine." Shrimp boats, it should be noted, are especially suited for smuggling drugs, since if the containers are opened for an inspection the shrimp will unfreeze. If the inspectors find nothing, they have ruined a legitimate shipment and might be liable for damages. According to Garcia, the company had excellent protection in other ways: "The CIA have a lot of front companies, for moving money, arms, supplies, people. Ocean Hunter was established as a front." Several U.S. government and contra sources confirmed that claim.

The cocaine glimpsed at Chanes's house by Carr and Garcia when they went to pick up the arms was, according to Garcia, part of a shipment that had come in along with a load of bad shrimp. "Paco Chanes had a cocaine shipment ten feet away from Oliver North's arms shipment."

When John Mattes persuaded the FBI to investigate the arms shipment in January 1986, bureau agents took a statement from Garcia. Mattes was present and recalls how, when Garcia named Francisco Chanes as the man from whose house he had collected arms, the agents spontaneously remarked, "We're investigating him for drugs."

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This investigation must have started no later than 1983, which is when those loyal FBI informants Joe and Hilda Coutin told their bureau contacts about Chanes's envoy Rene Corvo. Coutin, it may be recalled, had become suspicious as to what Corvo was doing with the money he had been given by the Cuban Legion to go fight communism in Costa Rica. They had dispatched a couple of investigators, who had reported that Corvo was not only squandering the funds on loose women and Bavarian beer, but was also heavily into the drug trade.

Garcia remembers very clearly telling the agents that "the arms shipment was for the contras, that it was taken to Fort Lauderdale and, with permission, left the country. Realizing that the FBI was being used to cover this up, I brought out that ten feet away from the arms there was a cocaine shipment. Just to make sure that they understood that, my wife wrote a letter to FBI internal affairs, and told them about it, told them that the FBI was covering things up in my case, and that I had told them about the arms shipment and the cocaine shipment."

Coincidentally enough, Jack Terrell encountered the same Chanes drugs and bad-shrimp shipment that Garcia and Carr had bumped into. Terrell remembers how Chanes tried to saddle him with the shrimp as a kind of charitable contribution to Civilian Military Assistance, the Alabama mercenaries.

Mattes explains the FBI's reluctance to pursue the investigation in straightforward terms. "The drug-smuggling charges are intertwined with the gunrunning. The same individuals. So when you have information in FBI reports that these individuals are shipping large amounts of guns through south Florida, you've got to ask the FBI, well, what the hell were you doing with the information?" The answer, in Mattes's view, is clear enough. "If they looked into the cocaine charges, they'd be looking into the network. Too much was at stake for them to try and proceed."

Mattes saw Ocean Hunter wedged in the center of the network. "It certainly had connections right into Costa Rica. It had connections here in Miami and, more importantly, it had cash. When cash is paid for large-scale flights, chartering planes out of Fort Lauderdale airport, paying for pilots, paying for fuel, that cash didn't come out of the blue sky, it came out of somebody's back pocket."

Actually, that last statement is not strictly accurate. In August 1985 the State Department began to dispense $27 million authorized by Congress for the purposes of strictly "humanitarian aid" to the

contra fighting forces in the form of bandages, food and clothing for refugees, saline drips for soldiers wounded on the field of battle, and other good causes. A special department, the Nicaraguan Humanitarian Assistance Office, was set up at the State Department to cast about for worthy recipients for the taxpayers' money. Several accounts were established to receive periodic infusions of cash, which was then to be handed over to responsible contra leaders, or to so-called brokers under their control.

If there were any responsible contra leaders, they fell down on the job. As a subsequent General Accounting Office audit and an investigation by a House subcommittee revealed, no less than $17 million out of the $27 million promptly and simply disappeared. A check through the bank records turned up countless illegible signatures for receipt of cash. Even when the recipient was identifiable, it was hard to feel confident that the money had been spent the way Congress intended. In the space of ten days, in January 1986, a broker called Supermercado (Spanish for "Supermarket") received $740,000, allegedly for food purchaces. Bank records for April 15, 1986, show one Supermercado transaction noted as follows: Payee: "illegible"; Endorser: "illegible"; Location: "illegible"; Amount: $100,000. On April 28 the performance was repeated; this time the amount was $175,000.

Large sums found their way to a Cayman Islands bank called BAC, Banco de America Central. BAC was established by wealthy Nicaraguan sugar interests in conjunction with Wells Fargo Bank as a safe haven for wealthy Nicaraguans stashing funds prior to the downfall of Somoza, in anticipation of the Sandinista takeover. By the time Somoza took off in 1979, $28 million worth of Nicaraguan capital had fled into BAC. By 1985 the exiles' bank had, unsurprisingly, become the contras' bank.

Among other choice recipients of humanitarian aid through the Miami brokers' accounts were Mylers Fashions, which received $3,437 by wire, and Thelma Lecayo, relation of Glibbery's jungle camp acquaintance and fellow Hull subordinate, who collared almost half a million dollars.

Even amidst this indiscriminate largesse, however, it is startling to find that one of the coveted humanitarian accounts went to Paco Chanes. The actual recipient, as recorded by the Nicaraguan Humanitarian Assistance Office, was a Costa Rican shrimp firm called Frigorificos de Puntarenas. It requires no great investigative feat to discover Frigorificos is the Costa Rican sister firm of Ocean Hunter.

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The NHAO account, established at the Consolidated Bank in Miami, had three signatories, Chanes himself, Luis Rodriguez, and a Costa Rican partner, Moises Dagoberto Nunez. "Dago" Nunez is a Cuban American and a friend of John Hull's. Between January and May of 1986 this trio received no less than $231,587 of U.S. taxpayers' money. Some of the money was in turn paid out to accounts in Israel and South Korea (Israel Discount Bank and Korean Exchange Bank) at a time when the two countries were reportedly supplying arms to the contras.

Puntarenas, the home of Frigorificos, is a Pacific coast port town a few hours' drive from San José. It is a peaceful place, where scratchy Latin music wafts from seedy bars and dogs vie with drunks for a shady spot to sleep on the sidewalk. The company occupies a modest stretch of wharf surrounded by shanties full of incessantly crowing roosters. It is on the other side of town from the overrated promenade where guides like to steer the tourists. Dago Nunez commutes between there and his San José office in his Mercedes. Our reception when we paid a call on Frigorificos was fully equal to the mute hostility we had encountered at Ocean Hunter in Miami.

Under the system set up by the State Department, each account had an overseer in the NHAO office. By some strange coincidence the Frigorificos account drew none other than Robert Owen as its watchdog. Owen had received a fifty-thousand-dollar contract from NHAO, which one colleague described as "a payoff" for his work for Oliver North. Owen, as his reports to the home office show, was in close touch with the leading lights of Frigorificos, Dago Nunez and Paco Chanes. That the State Department was giving a humanitarian account to an obscure shrimp company was peculiar in the first place. But to reward a crew who had first come to the attention of the FBI in 1983 as cocaine traffickers smacks of criminal conspiracy. At the very least it is clear that Owen had some nonhumanitarian intentions regarding the funds he was guarding.

When Owen reportedly picked up a fraudulent receipt for fifteen thousand dollars' worth of uniforms and boots from the Creaciones Fancy store in San José, the money that was being diverted came from the Frigorificos account. Franklin Reed, a member of a Costa Rican contra faction called Kisan South, later claimed that this money was then used by the infamous Felipe Vidal to buy guns with which to lure fighters away from Eden Pastora. Ambassador Robert Duemling, the old State Department stager inserted by George Shultz to run the NHAO, later said he had received a detailed explanation of the diversion, but offered no further explanation. The FBI opened an investigation.

The NHAO had actually been ordered to check the credentials of the people getting the money both with the FBI and with the Drug Enforcement Administration. According to a well-informed State Department source, Robert Owen was advised, at the very latest by February 1986, that he was consorting with drug traffickers. The information on that occasion came from an unofficial source, not the FBI or DEA, but it is highly unlikely that the FBI would hide their reports from Washington for no apparent gain. On the other hand, it is easy to see why Owen might not have been overly anxious to take the matter further.

Nunez, according to Eden Pastora and his aide Carol Prado, had been instrumental in bringing Miami Cuban fighters and suppliers into the southern front. They said Nunez worked closely with Felipe Vidal and, like Vidal, was a CIA operative. He had, according to Pastora and his aide, sat in on high-level contra meetings in Costa Rica, not the usual pastime for a simple shrimp exporter. His partner Paco Chanes had, as we already know, done yeoman service supplying weapons shipments that ended up on Hull's farm. Like Chanes, Nunez's name was all over a stable of fly-by-night companies in Miami: Lindsay Cleaners Inc. on West Flagler in Miami, dissolved 1977; Industrias Nacionales de Peten on Northwest Eleventh Street, dissolved 1977; 11–44 Development Corp. on North River Drive, dissolved 1976; Transatlantic Distributors Inc., with the same address as Lindsay Cleaners, dissolved 1977; Aquarius Seafood Inc. on Northwest Sixty-sixth Street, dissolved 1982; NCP Trading (same address), dissolved 1981.

When Joe Coutin alerted the FBI in 1983 to the results of his inquiries into Rene Corvo's activities in Costa Rica, he had also had plenty to say about Dago Nunez. "There were some illegalities, something wrong was going on," as Coutin recalled. "With the shrimp, they were shipping cocaine. It seems that the Cuban group was just a front to cover for the drug business. There was a large group of people like Frank Chanes [Paco], Rene Corvo, Felipe Vidal; another one who participated in helping Rene Corvo's group was Frank Castro, who has a record of being previously convicted on drug charges. I told George Kiszynski from the Federal Bureau of Investigation and I told Destado Diaz [of the Miami Police Department]. They started investigating." Coutin says he was told by the FBI agent that they "were going to start issuing subpoenas to all

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these people involved." No action was taken. "They were covering up for the CIA," concludes Coutin. "They only wanted to know how much information we got."

Agent Kiszynski certainly took note of allegations of drug running, and by early 1985 at the latest the news had reached Oliver North. That was when a Hollywood producer named Lawrence Spivey saw FBI memos from Kiszynski detailing the progress of the Miami contra-drug investigations sitting on North's desk. Spivey had been granted an audience with North because he was working on a screenplay about Tom Posey of CMA.

Senator John Kerry's office got wind of the Ocean Hunter/Frigorificos operation in early 1986, while the principals were receiving U.S. government checks. Kerry took the case to FBI headquarters in Washington in April 1986. He was still waiting for a response a year later.

The senator expresses proper indignation at the implications of all this. As he sees it, the covert network "became a channel for further exploitation of the American people by violation of the narcotics laws, and it became a channel for the perversion of our own judicial process and enforcement process. We shouldn't be involved with these kinds of people in so-called humanitarian efforts or in any official or unofficial actions of the United States government." However, despite these laudable sentiments, Senator Kerry refuses to comment on the allegation that Ocean Hunter is or was a CIA proprietary.

When Kerry's staff asked the State Department whether anyone had checked out Ocean Hunter and Frigorificos before handing them a humanitarian account, the staff was told, as Kerry himself recalls, that State "had checked that out prior to the contractual arrangement being entered into."

That, according to a State Department source who had worked closely with the Nicaraguan Humanitarian Assistance Office, is not exactly what happened. The source recalls how a team from the NHAO had sought to go check out Frigorificos in Costa Rica, but had been prevented by the direct intervention of Ambassador Tambs. Ambassador Duemling later said that the offending companies had never at any point been checked out with the FBI or DEA.

In April 1987 Greg Lagana, a spokesman and aide for Assistant Secretary of State Elliott Abrams, claimed that the NHAO grant to Chanes et al. arose out of confusion born of setting up a distribution

agency overnight. If they were in bed with shady characters, it was because the FBI and DEA had not warned them, while the CIA had vouched for the companies. Even as he spoke, Ocean Hunter and Frigorificos were still up and running. The FBI was still claiming to have an ongoing investigation. The State Department had been reminded by the General Accounting Office back in July 1986 that the DEA was actively investigating Ocean Hunter, although in early 1987 the DEA was proclaiming ignorance of any such investigation.

Despite such official denials, by 1987 the DEA was very well informed indeed about the shrimp business. In November 1986 senior officials of the DEA in Washington were visited by two bounty hunters who saw Ocean Hunter as a lucrative target and wanted to take it on.

Fred Valis and Dan Hanks looked like what they purported to be: drug dealers in the music business. Their L.A. apartment was a sea of gold records and black leather. They pursued a specialized sideline in the narcotics trade. Their practice was to infiltrate cocaine rings on both coasts, orchestrate a bust by the DEA, and take a percentage of the haul. "We're given hundred-dollar sequentially numbered bills in cash from the DEA, and we sign a form that doesn't even have our name on it. We get paid for the amount of drugs seized. So if we can nail a thirty-kilo shipment, you know, we're talking about a quick thirty grand plus however many bodies are involved in arrests."

The bounty hunters had first gotten wind of Ocean Hunter in September 1986, when they were briefed on the more interesting aspects of the operation by a journalist who asked whether they might be able to dig for more information.

Valis and Hanks had also been given details by a Virginia drug dealer of a Coast Guard radar operator who was selling details of AWACS schedules to cocaine smugglers in Miami. (The smugglers, exhibiting a touching faith in military technology, believed that the AWACS, an airborne radar, could enable the authorities to track incoming flights and shipments.) The bounty hunters found reason to believe that there might be a connection with the shrimp operation. They took their information to Hayden Gregory, counsel to the House Judiciary Subcommittee on Crime, chaired by Congressman William Hughes. According to Valis, Gregory "knew the names we were talking about, and was real interested in fishing for what we had. So we told him we had a lead that we thought we could follow

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into Miami for a guy who was trading radar schedules for kilos of cocaine, and that perhaps if we could bust him, we could get the whole operation."

Gregory arranged a meeting at DEA headquarters at Fourteenth and I in downtown Washington. "We met there with a whole bunch of people who never gave us names, just titles," remembers Valis, "the assistant to the administrator of the DEA, the head of Latin American Affairs, the agent in charge of Costa Rica, the head of the cocaine division." There were others in attendance who remained totally anonymous. "There were a couple of thugs there also; they purported themselves to be local agents, but when they went to lead us out of the office, they didn't know their way out."

The atmosphere was formal. "It was sort of like the Paris peace talks. We sat on this side of the table and they sat on that side. They were treating it like an inquisition. They wanted to find out who the source was to try to trace it back. And they were very much interested in finding out if we were telling them everything we knew."

It slowly dawned on the eager bounty hunters that there was a curious lack of enthusiasm for the project around the table. As Hanks puts it, "It just surprised me that they weren't willing to invest a bit of money. I mean, Reagan had come out recently and said that they have a billion-dollar budget, or something to that effect [for the war on drugs]. And they can't raise three thousand dollars to send us down to Miami to check something which might be a leak not only on a CIA operation, not only on a major drug smuggler, but also on somebody who's selling national security secrets?"

Valis and Hanks had gone into the meeting thinking that their lead was too good for the DEA, supposedly in the midst of a drug war, to pass up. "What we [had been] told was that someone was smuggling in a ton of cocaine a week into Miami, and that it was coming into two warehouses down in Miami, Ocean Hunter and Mr. Shrimp. That is what we were told by our informant. And that those narcotics were turned over to people in Miami and marketed, and that the money was returned back to Mr. Shrimp and Ocean Hunter, and guns were purchased with it and traveled back to Costa Rica. It's apparently been going on since 1983."

Seasoned as they were in the drug business, Valis and Hanks were impressed by the reputed size of the operation. "Can you envision how much a ton of cocaine is?" says Hanks. "It's like filling up this living room to the ceiling with cocaine. You know, you've got to have an awfully big straw to do that much cocaine." (Though

Ocean Hunter was almost certainly importing cocaine on a very large scale, sources well versed in Miami cocaine market conditions say that Valis and Hanks had been given an exaggerated impression of the quantity the company was bringing in.)

While the DEA officials at the high-powered Washington meeting might have appeared uninterested, they certainly seemed well informed. "We brought up the names of the owners of Ocean Hunter and Mr. Shrimp, [and] they acted like these were long-lost buddies, that they'd known about these guys for years." The DEA men, say Valis and Hanks, identified the shrimpers with "this group that was a Cuban revolutionary anti-Castro group, the 2506 group. Then they said all coke dealers that are Cuban are former members of this political group, the anti-Castro group. So we did some checking around with some CIA people that we know. And they said that the CIA has been very tight for years with that particular group, they've worked with them. In fact they trained them prior to the Bay of Pigs."

The DEA, concluded the bounty hunters, knew precisely what was going on. "They knew they were dealing cocaine. They said, 'That's under investigation.' " The investigation, if there was one, was languishing. "We got the impression that they had a lot of information but were sitting on it. In fact, while we were sitting there, there was a big map behind them of Central America. And there's a pin on the map at Puntarenas, a little pin on the map."

By the time they left DEA headquarters, says Hanks, he had concluded that they had been talking about a CIA operation. "I don't think everyone in the DEA is clean on it," adds Valis. "I think somebody at the top who directs who gets investigated and who does not get investigated has to be dirty, because field agents are as gung ho as you can get, they want to make points. That's how they keep their scores up. Every field office that I have ever been in, they actually have a scoreboard of what they've busted every month. It's like a sales office; they've got to make better points than the office in San Diego or the office in San Francisco. So for them not to go after something, they have to be directed not to go after it. It's like a guy selling vacuum cleaners. He's going to go out and make that next sale, unless the boss says, 'I don't want you to sell a vacuum cleaner to this guy over here.' And that's what we think happened." Adds Hanks, thinking sadly of the catch that got away, "We're not talking about one vacuum cleaner here, we're talking about a whole building of vacuum cleaners. Why sell door-to-door when you can scoop them all up in one shot?"

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By February 1987, while the DEA was still diligently steering clear of Ocean Hunter and its sister companies, the United States Customs Service had leapt into the fray. Miami customs officials let it be known that they were initiating an investigation into Ocean Hunter for large-scale cocaine trafficking. They decided (somewhat belatedly) to start taking a look at the clients who had been serviced by superaccountant Ramón Milian-Rodriguez, who had been sentenced in 1985 and indicted as long ago as 1983. One of them, according to the documents seized at the time of Milian's arrest, was Luis Rodriguez, president of Ocean Hunter. Another was Danny Vasquez, owner of Florida Air Transport, the carrier of choice for Paco Chanes when he dispatched the six tons of arms along with Steven Carr and Rene Corvo to Costa Rica. The pilot for the flight to Ilopango had been Vasquez's son.

In the summer of 1987 the customs inquiry did at least appear to be proceeding. The investigators had established, for example, that Ocean Hunter owned a freighter, used on at least one occasion in late 1983 to ferry cocaine from Limón, on the Atlantic coast of Costa Rica, to Miami. It still remained to be seen whether this agency would, unlike the FBI and DEA, choose valor over discretion and indict the principal. Asked what would happen if Miami customs should receive a call from Washington, one plucky agent replied, "I don't like interference."

It would be surprising if John Hull's name did not pop up in connection with a contra-related Costa Rican business, and sure enough the rancher appears to have been taking a distinct interest in shrimp at around this time. In December 1985, Steven Carr and Peter Glibbery received one of their periodic visits from John Denby, an American farmer from Illinois who, like Hull, farmed in northern Costa Rica. Indeed it was Denby who had participated in the prank where the boys at the ranch stole Pastora's jeep and tacked Illinois plates on it.

Denby was something of a mystery, for although he was an associate of Hull's, and well briefed on his covert operations, he made a point of visiting the jailed mercenaries for a gossip. On this particular occasion Denby brought the latest information about John Hull and Robert Owen. According to both Carr and Glibbery, he confided that the two men were putting humanitarian assistance money to good use by going into the shrimp business. "The war's been canceled," joked Denby, "due to lack of interest."

A direct question to Hull on this curious association drew a curt

reply: "I'm not in the shrimp business." Yet earlier, while admiring the magnificent smoke rings spewing from the volcano across his pastures, Hull had mentioned his Cuban-American friend Dago Nunez. He described him as an embittered veteran of the Bay of Pigs sympathetic to the contra cause. Later, when asked directly about Nunez, Hull became vague: "I've met him in town. I met him socially. Seems like a very nice fellow. I've been out to Puntarenas, where he has a shrimp business."

Somehow, with Robert Owen running the shrimp account for the State Department, and falsifying that account in order to buy weapons, it is less than likely that Hull's links with Nunez were purely social. Whether the rancher was closely involved in shrimp matters or not, his connection with the narcotics trade appears to have been close, massive, and profitable. Just how massive only became clear when a powerful druglord, and the men who worked for him, began to describe the part they had played in Oliver North's operation.

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Chapter Eleven

GUNS FOR HOSTAGES

"Americans will never make concessions to terrorists—to do so would only invite more terrorism—once we head down that path there would be no end to it, no end to the suffering of innocent people, no end to the bloody ransom all civilized people must pay."

—Ronald Reagan
June 18, 1985

"It's going to be fine . . . as soon as everyone knows that . . . the ayatollah is helping us with the contras."

—Lt. Col. Oliver North to Asst. Sec. of Def. Richard Armitage
November 1986

Up until November 1986 the notion that the U.S. government would be selling arms to the Ayatollah Khomeini to raise money for the contras was as unthinkable to most people as the idea that the government had gone into the narcotics business on the contras' behalf.

The Iranian regime had been firmly emplaced in the American mind as an implacable terrorist enemy since the emotional days of the hostage crisis in 1980. The menacing features of the ayatollah, endlessly beamed across the country along with the message that America was being held hostage, had a dramatic and lasting psychological effect. Most immediately, it destroyed the presidency of Jimmy Carter and did more than anything else to put Ronald Reagan in the White House.

Once the awful news broke that Reagan had sanctioned arms sales to Tehran in 1985 and 1986 Reagan did his best to find acceptable excuses. The initial coverup, launched in Reagan's November 1986 address to the nation—"We did not, repeat, did not trade weapons or anything else for hostages nor will we"—was succeeded by

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stumbling pseudostrategic rationales about bolstering moderate factions in Iran. Those were succeeded in turn by references to presidential anguish brought on by the thought of "Americans in chains."

Throughout, a majority of the American people thought that the president was not telling the truth, and they were right. Ronald Reagan began selling arms to the Iranians at the same time as he began supporting the contras—almost immediately after he took office. The same group of people were involved in planning and executing both of these secret operations as they germinated and flourished from 1981 to 1986.

The first presidential finding to send $19 million to the tattered remnants of Somoza's National Guard was signed by the president within six weeks of his inauguration. A few months later, on July 18, 1981, a CL-44 transport plane strayed across the Turkish border into Soviet airspace, where it crashed after being intercepted by Soviet fighters. The plane was carrying American-made tank parts and ammunition from Israel to Iran.

Early the following year the BBC produced two copiously researched documentaries on the flow of arms from Israel to Iran being carried out with American encouragement. (I happened to view the first of these broadcasts in the plush Tel Aviv offices of two Israeli arms dealers heavily involved in the trade. One of them was the local representative of a very prominent American defense contractor. Their approving comments on the BBC story left no doubt as to the accuracy of the account.) In May 1982 the columnists Evans and Novak reported that the then secretary of state, Alexander Haig, seemed anxious to reinstate a military cooperation agreement with Israel, suspended after the Israeli annexation of the Golan Heights, as a *reward* for Israel's arms shipments to Iran. In October 1982 Moshe Arens, then Israel's ambassador to the U.S., stated in an interview with the *Boston Globe* that Israel had been shipping arms to Iran "in coordination with the U.S. government . . . at almost the highest of levels." This report swiftly elicited official denials from Washington; as Arens reported to the *Globe:* "I caught a little flak from the State Department." The ambassador nevertheless stuck by his story.

The obvious question, considering the potential political dangers of being caught dealing with the hated mullahs, is why Washington was so eager for the business. The answer may lie in what could be the most terrible secret of the Reagan administration.

In October 1980 the presidential election was only a month

away. The foreign policy issue that dominated all others, symbolizing the supposed "weakness" of America under Carter, was the continued incarceration of the hostages. Carter had already tried one desperate measure to rid himself of the problem: the disastrous rescue mission that had literally crashed in flames in the Iranian desert. If, however, Carter were to bring the hostages home in time for the election, an "October surprise," then he might ride to victory on the ensuing national jubilation. That was the specter haunting the Reagan campaign.

With the election just weeks away, the Reagan staff got wind of what the October surprise was going to be. Iraq had invaded Iran in September, with the encouragement of the White House, and Tehran was in desperate need of spare parts and equipment for its armed forces, which had been equipped by the shah almost exclusively with American arms. Carter was prepared to hand over the supplies in return for the hostages.

William J. Casey, who was Reagan's campaign manager, found out about this potentially dangerous development from a spy in the National Security Council staff, a naval intelligence officer code-named Navy Blue. Reagan's top aides were terrified that Carter might yet snatch victory from the jaws of defeat. That they were aware of what was going on is clear from documents released by the FBI under the Freedom of Information Act in 1987. The documents, 90 percent of which were censored before release, detail the FBI's 1984 investigation into the infamous theft of the Carter briefing book for the debate between the candidates on October 27, 1980. The report contains an account of a meeting of the Reagan high command in a Wexford, West Virginia, garage to rehearse their candidate for the confrontation with Carter. Question 7 on the "Reagan Debate Practice Tape #2" is listed as, "Would the candidate sell military spare parts to Iran in exchange for the hostages?"

The senior Reagan staff took several steps to make sure Carter did not get a nice surprise in October.

First, they leaked news of the impending deal to the press, taking care to disguise their tracks. The first report surfaced on Chicago's WLS-TV's local news broadcast on October 15, and by October 17 the *Washington Post* was referring to rumors of a "secret deal that would see the hostages released in exchange for the American-made military spare parts Iran needs to continue its fight against Iraq." The report issued in May 1984 by a subcommittee headed by Congressman Donald Albosta inquiring into the theft of Carter's

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debate papers reported that the leak to the TV station had come from "a highly placed member of the U.S. intelligence community."

In the days leading up to the election, news of Carter's bargain with the devil continued to seep into the *Post*. A story from Paris that appeared on election day itself quoted French officials as privately expressing "shock over what they believe is U.S. acceptance of the 'blackmail' of the swap of the American hostages for U.S. spare parts for American weapons." The same edition quoted remarks made by Senator Barry Goldwater the previous weekend that two air force C-5 transports were being loaded with spare parts for Iran.

William Casey, Ed Meese and James Baker 3d later admitted to the Albosta subcommittee that retired Adm. Robert Garrick, a senior aide to Casey in the campaign, had run a network of serving and retired military officers to watch U.S. bases for any signs of military activity connected with the hostages. The voluminous FBI report, however, suggests that Casey was also running a similar network made up of retired and active CIA and FBI agents.

Despite the diligent efforts of the FBI Freedom of Information censors to gut the report of all substance before release, it is clear that the bureau investigators made Casey's secret team, and its knowledge of a possible arms-for-hostages deal, the central focus of their probe.

Putting a spoke in such a deal might be excused, just, as within the limits of fair politics. But there is considerable evidence to suggest that in their determination to win the White House by any means, Reagan and his associates went much, much further. It is very possible that they made their own deal, one that ensured that the hostages were not released in time to help Carter. There is strong evidence that they assured the Iranians that if the hostages remained in Tehran, a Reagan administration would be much more forthcoming in terms of arms supplies.

Abolhassan Bani-Sadr, who was president of Iran during this stage of the hostage crisis and now lives in exile outside Paris, has confirmed that there was indeed an agreement between his government and the Carter White House to exchange weapons for hostages, and that two powerful lieutenants of Khomeini, Hashemi Rafsanjani and Mohammed Beheshti, stopped the deal—with Khomeini's knowledge and consent. He further confirms that Rafsanjani and Beheshti sent an envoy on a secret visit to Washington in the early weeks of October 1980. This intermediary met in Washington's L'Enfant Plaza Hotel with two prominent Reaganites: Richard V.

Allen, the campaign's chief foreign policy adviser and subsequently Reagan's first national security adviser, and Lawrence Silberman, a die-hard conservative and friend of Reagan's. The meeting was arranged by Robert McFarlane, who was at the time a senior staff aide to Republican senator and Reagan campaign adviser John Tower.

All three U.S. officials, Allen, Silberman, and McFarlane, concede that the meeting took place, and that the Iranians offered a timely hostage release in return for military supplies and intelligence. However, Allen, who was later dismissed from the NSC job after a cash bribe from a Japanese journalist was found in his safe (by Oliver North!), says piously that the offer was straightforwardly rejected and that he suggested that the Iranians deal only with the White House on hostage issues. McFarlane has stated that "an individual claiming to be Iranian approached me and was referred to the Reagan campaign staff. He was judged to be a fraud and dismissed." If McFarlane ever did think Rafsanjani, the envoy's sponsor, a fraud, he had obviously revised his assessment by May 1986, when he went to Tehran to negotiate on arms. By that time Rafsanjani had become Speaker of the Iranian Parliament and the Reagan administration's favorite "moderate."

That Allen may have been a little less upstanding in his reception of the Iranian envoys is indicated by what Barbara Honneger, a former Reagan campaign staffer, was told by one of her colleagues at a party at Reagan campaign headquarters later on in October 1980. Honneger served as a researcher on the campaign staff and later as a policy analyst at the White House. She says she was in the Reagan headquarters in Arlington, Virginia, on October 24 or 25, 1980, when an excited staffer exclaimed, "We don't have to worry about an October surprise. Dick cut a deal." "Dick" was Richard Allen.

Bani-Sadr has stated that he received further confirmation that a deal had been struck. After Reagan took office the then Iranian president received intelligence reports from the Iranian military that arms shipments had been assured by the incoming U.S. administration.

(According to Mansur Rafizadeh, the former U.S. station chief of SAVAK, the shah's secret police, and a self-proclaimed CIA agent besides, the CIA gave a helping hand to the Reagan operation: ". . . some CIA agents, such as Sadegh Ghotbzadeh [then Iranian foreign minister], were briefed by agency officers to persuade Khomeini not to release his prisoners until Ronald Reagan was sworn in. The CIA, consistently hostile to Carter, told Khomeini not to

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bother giving Carter any credit when he would no longer have any power [i.e., between the election in November and Reagan's inauguration in January 1981]. Thus the CIA . . . sentenced the American hostages to seventy-six more days of imprisonment." Later on, states Rafizadeh, the CIA collected a list of anti-Khomeini activists in touch with exile opposition movements and handed it over to the Tehran regime. Those unlucky enough to be on the list suffered predictably unpleasant consequences.)

The Iranians were as good as their word, retaining the hostages until the precise moment Carter left office. They did, however, retain one, just to make sure that Reagan was true to his end of the deal and supplied the arms. Richard Allen has since let slip, on the November 7, 1986, *MacNeil-Lehrer Newshour*, that when the president heard, on the day of his inauguration, that one of the hostages—journalist Cynthia Dwyer—had been kept behind, he indignantly exclaimed that this person had better be sent home fast "or the deal is off." No one asked, "What deal?"

Arms shipments to Iran (laundered through the ever-cooperative Israelis) continued at least up through 1982. There is no evidence of any business in 1983, which may have been because the original deal was for a specific quantity of weapons that had all been delivered by the end of 1982, or because relations significantly worsened between Iran and the White House in 1983. In that year Iranian-backed terrorists blew up not only the CIA Middle East headquarters and senior personnel in Beirut (along with the U.S. embassy in Beirut) but also 241 marines conveniently herded into their barracks on the edge of the Lebanese capital.

In 1984, however, the relationship was certainly beginning to burgeon again. The impetus was the traditional one of hostages, or rather one hostage. On March 16, 1984, William Buckley, officially described at the time as a diplomat attached to the U.S. embassy, was kidnapped off a Beirut street by elements of Hezbollah, a fundamentalist Shiite group with strong links to the Khomeini regime.

Buckley was no ordinary diplomat. He was the CIA station chief in Beirut, and an official with some specialized responsibilities and connections. As Oliver North later testified, Buckley was "an expert on terrorism" involved in a very "sensitive" job before he left Washington for Beirut. North stated that in the course of his antiterrorist work he had developed a "personal" relationship with CIA Director William Casey. Other sources report that Buckley was an old associate of Theodore Shackley, who, it may be recalled, had reportedly

had a hand with Edwin Wilson in running a program for eliminating hostile terrorists. Indeed, Buckley had had to approve CIA assassinations undertaken by the Shackley organizations.

Losing Buckley to Hezbollah was bad enough, but anguish in Washington turned to consternation when it was learned that Buckley was being tortured to reveal his copious fund of secrets. It did not take long before familiar figures from the Shackley-Clines secret network began to get involved in this new crisis. On April 2, 1984, less than three weeks after Buckley's disappearance, President Reagan signed National Security Decision Directive 138. This authorized the creation of a new counterterrorism task force charged with planning the rescue of hostages held by Iran (as well as "neutralizing" terrorist threats from Iran, Libya, and Nicaragua). The new group was reportedly to be headed by retired Gen. Richard Secord. Though Secord denies any association with the task force, Pentagon sources confirm it, adding that the directive was drafted by Oliver North.

By November 1985, Theodore Shackley had entered the fray on behalf of his old associate Buckley. On November 22 the Blond Ghost reported to the CIA that he had just met in Hamburg with Gen. Manucher Hashemi, the former head of SAVAK's counterintelligence division. Hashemi had introduced him to Manuchehr Ghorbanifar, who, as Shackley speedily informed the CIA, was another SAVAK alumnus with "fantastic" contacts in Iran.

The basic topic of this meeting—following some high-minded sentiments about "moderates," the desirability of a "meaningful dialogue with Washington," and "destiny"—was to discuss arms shipments, specifically American TOW antitank missiles. Shackley, in his cabled report on the meeting to the CIA, said that Ghorbanifar "further suggested the possibility of a cash ransom paid to Iran for the four Americans kidnapped in Lebanon, including Buckley, who, he said after making telephone calls, was still alive. The transaction could be disguised by using Ghorbanifar as a middleman." Shackley reported that Ghorbanifar needed a response by December 8, 1984. As Shackley told the Tower Commission, the State Department replied later that month, in effect, "Thank you but we will work this problem out via other channels."

No one was paying much attention to the State Department. What Shackley didn't tell the CIA in his cable, at least not in the cable that was produced for the Tower report, was that there were two others meeting in the Hamburg Atlantic Hotel Kempinski at that

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time. One of them was a British arms dealer named Leslie Aspin. The other was Oliver North.

According to Aspin, he was asked to get hold of five thousand TOW missiles for Iran. He agreed, and was then flown by a U.S. Air Force plane to Frankfurt to be introduced to none other than William Casey. On December 6, 1984, Aspin was given a letter by the Iranian ambassador in Bonn that confirmed the deal.

Leslie Aspin and his brother and partner, Michael, were keen for their own reasons to sell the Iranians a French missile called the ACL-Strim and arranged a demonstration for the customers at the Strim factory outside Paris. To the Aspins' disappointment, the Iranians were uninterested in the Strims; it was American TOWs they wanted. Michael Aspin did not think much of their choice: "Honestly, they were old crap missiles, most of them had trouble getting out of the end of the barrel." Nevertheless he set to work, and eventually located a possible source of supply. He was, however, becoming nervous that he was being set up for a "sting," his suspicions being particularly aroused because of the unprecedentedly overt involvement of the U.S. government. "This one was too easy," he told the *London Observer* later.

Leslie Aspin set his brother's mind at rest by arranging a meeting with North in London in February 1985 at the Churchill Hotel in Portman Square. The professional arms trader concluded that the go-getting marine's energy and enthusiasm were not matched by his competence. "A few sparks flew," said Aspin later. "North didn't know what the hell he was on about."

So, while Oliver North's interest in arms sales to Iran in late 1984 and early 1985 was a matter for comment and derision in British arms-dealing circles at the time, these negotiations received no mention in either the Tower report or the Iran-contra hearings. An ABC News report on the night before North began his testimony to the Iran-contra committees specifically discussed the 1984 arms sales efforts and their direct connection with Buckley's confession, but no senator or congressman saw fit to raise the topic. The even more dangerous question of why the Reagan administration had been selling arms long before there were any American hostages in Beirut was likewise passed over in silence.

The attempt to get arms to Iran via Aspin ran into the sand. Instead, by the middle of 1985, there was a return to the tried and tested arms route to Iran: the Israelis. Once again, it appears that Theodore Shackley was one of the prime movers.

In May 1985, as he later told the Tower Commission, Shackley had lunch with Michael Ledeen, a successful practitioner of the burgeoning industry of terrorism consultancy and a man with contacts in many murky places, including the Italian intelligence community. He was well connected with Israel and was at that time a consultant to the NSC on terrorism. The two men discussed Shackley's Hamburg meeting the previous November, and the possibility of getting back into business with Ghorbanifar, a man who, according to North, "was widely believed to be an Israeli agent."

By August, key portions of the Washington bureaucracy—that is to say the NSC and the CIA—had cobbled together the requisite strategic rationales for doing military business with Iran. In reality, the major spur for all the activity appears to have been the well-being, or lack of it, of the captive Buckley. The Israelis were once again the middlemen of choice, and the ubiquitous Ledeen was ferrying to and fro between the U.S. and Israel as a fixer.

The presidential rhetoric, meanwhile, was maintaining its usual distance from reality. In a speech to the American Bar Association on July 8, Reagan denounced Iran as part of a "confederation of terrorist states . . . a new, international version of Murder Incorporated." He added, "Let me make it plain to the assassins in Beirut and their accomplices that America will never make concessions to terrorists."

In the midst of all this high-powered diplomacy, Oliver North was working away on a bizarre scheme of his own. On June 7 the industrious marine submitted an "action memorandum" to his boss, Robert McFarlane. It included a plan for the private ransoming of two hostages, including Buckley, for $2 million. The operation, as he told McFarlane, would take "considerable time (contacts inside Lebanon, financial transactions, and rental of yacht/safehouse)." For manpower, North wanted McFarlane to ask the attorney general to detail two officers of the Drug Enforcement Administration (which is controlled by the Justice Department) to work with the NSC.

It is worth reviewing the actual background to this proposal, as it furnishes an instructive example of North's fitness for a central role in U.S. foreign policy. It all began with a man named Kevin Kattke. Kattke was not a seasoned covert operator, an old hand from Southeast Asia days, or anything of the kind. His employment and base of

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operations was the building maintainance office at Macy's Department Store, Hempstead, Long Island. When his duties at Macy's allowed, Kattke liked to take vacations in the Caribbean, particularly Jamaica. In the midst of his pleasant but humdrum existence, Kattke nurtured ambitions for a career in espionage. Thus, in the course of his Jamaican excursions he made a point of buying drinks for the local constabulary and then transmitting items of "intelligence" to the local U.S. embassy. Just prior to the invasion of Grenada in October 1983 Kattke made a potent high-level connection. He contacted the National Security Council, claiming, according to a subsequent FBI report, to represent a "Grenedian [*sic*] student group who were contemplating an overthrow of the communist-leaning government of Greneda." The official to whom he spoke was then-Maj. Oliver North. The two were made for each other. North referred to him as a "rogue CIA agent," while Kattke returned the compliment by referring to North as "the compass."

Kattke's web of contacts were not limited to the Caribbean. Back on Long Island he had a Lebanese friend who sold insurance for Equitable Life. At a meeting in a Brooklyn saloon in the late spring of 1985 the insurance salesman confided to the building maintenance man that the man holding the hostages in Beirut happened to be his cousin. For a mere three-hundred-thousand-dollar down payment his cousin would disclose the prisoners' location.

It was this vital intelligence, quickly relayed to "the compass," that prompted North's rescue plan, which McFarlane approved. The down payment was raised with a phone call to millionaire Ross Perot, whose interest in such affairs dated from a successful operation to extract two of his employees from a Tehran jail during the Iranian revolution. The DEA men were duly dispatched (to the bemused irritation of their superiors), their knapsacks bulging with Mr. Perot's money. As so often happens in the world of covert operations, the mission went awry. The insurance salesman's cousin was happy to accept the three hundred thousand dollars but signally failed to produce any clue to the hostages' whereabouts.

(This was not Kattke's only impact on high policy. In early February 1986 Kattke was monitoring events in Haiti, where the dictatorial regime of Baby Doc Duvalier was crumbling. Prowling around the presidential palace late one evening, Kattke noticed that the lights were out on the upper floors. He immediately called the NSC to report that Duvalier had fled. Shortly afterwards, a contact emerged to say that Duvalier was playing Ping-Pong in the base-

ment. By then it was two A.M., which Kattke thought was an inconsiderate hour to be calling Washington, so he kept the intelligence update to himself. Thus White House spokesman Larry Speakes went on record with the statement that the Haitian leader had left, a week before Duvalier actually did so.)

Such farcical interventions aside, by the end of August 1985 the arms pipeline to Iran was up and running. On August 30 Israel shipped 100 TOWs and on September 14 an additional 408 missiles. Some of them were "old crap," as Michael Aspin would say, and were returned by the customers. The Israelis made a profit of $3 million on the deal. In late August or early September, according to an account by Ledeen, North was told to prepare "contingency plans for extracting hostages—hostage or hostages—from Lebanon." The State Department issued North a fake passport in the name of William P. Goode, and the NSC opened up a secret communications channel to North code-named Blank Check. Robert McFarlane was later asked by the Senate select committee's chief counsel, Arthur Liman: "Were you asked to play God and ask for one hostage?" "Yes," replied McFarlane, "and I asked for Mr. Buckley."

By September 12 North thought that the prize was at hand. On that day he told Charles Allen, the CIA national intelligence officer for counterterrorism, that William Buckley "might be released in the next few hours or days." It was not to be. Instead of the anxiously awaited Mr. Buckley it was the avuncular figure of the Reverend Benjamin Weir who emerged from captivity.

There are conflicting accounts of where Buckley actually was during this period, although there is a consensus that he was having a gruesome time of it. David Jacobsen, a fellow American hostage who was eventually released in November 1986, has said that he was held in the same place in Beirut as Buckley, who was being tortured by his captors in the next room. Buckley, said Jacobsen after his release, had probably died on or about June 3, 1985. This version of events was supported by another released hostage, Father Lawrence Jenco. On October 4, 1985, Islamic Jihad announced that they had executed Buckley in retaliation for the Israeli bombing of Tunis, which occurred on October 1.

According to a "senior Iranian diplomat close to President Ali Khamenei" quoted in the *London Observer*, however, Buckley did not die in Lebanon, but in Iran: "Shortly after his kidnapping in a Beirut street by members of the Emad Moghniya family, Buckley was transferred to the headquarters of the Iranian Revolutionary

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Guards, the Pasdaran, in Ba'albeck in the Bekaa Valley." (This leaves open the question of who the tortured victim was in the room next to Jacobsen's.) "In August 1985"—i.e., just before North was getting ready to go to Lebanon and the first TOW missiles were sent off—Buckley, "drugged and bandaged and passed off as a Revolutionary Guard . . . was flown from the military base of Riyagh, in the Bekaa, to Damascus, from where he was immediately put on a plane to Tehran." Buckley was held in a safe house "in Freshteh Street, in the wealthy northern suburbs. Later he was moved to a prison at the military base of Saleh Abad, near the holy city of Qum, where he died of a heart attack while under torture" in late 1985.

However and wherever Buckley met his end, the fact remains that North and his masters in Washington thought the CIA man still alive in September 1985, when they dispatched 508 TOW missiles in the hope of getting him back. Even when, by early October, the administration accepted the fact that he was dead and that he had been in the hands of the Iranians (the Syrians confirmed both facts to U.N. Ambassador Vernon Walters at that time), Buckley remained of vital concern to Washington, for he had left a potent testament, a videotaped recitation of everything he knew.

Buckley had had a lot to say to his brutal captors. "A tortured confession of some four hundred pages was extracted from him," North later told the Iran-contra committees. He claimed to have personally viewed a tape of Buckley's ordeal. The White House was well aware, therefore, of just how dangerous Buckley's testament might be if it became public. It has been suggested that they were anxious to have the Iranians keep it to themselves because it compromised American intelligence networks in the Middle East. There may be some truth to this; it had, after all, been highly embarrassing in the Watergate era when it emerged that King Hussein of Jordan was on the CIA payroll.

Nevertheless, judging by the obsessive concern in the White House and CIA—not to mention by Mr. Shackley—over the question of the confession, it appears that Buckley had told some stories that they wanted very, very much to remain secret.

The Iranians therefore now held a strong card to play with the White House, as potentially devastating indeed as their knowledge of just how and why the original hostages had been held for long enough to get Reagan elected. At the end of 1985, for example, Ghorbanifar called Ledeen to relay a message for Reagan from the Iranian prime minister. As Ledeen told the Tower Commission, the

message said, ". . . we have been very patient with you people. We have behaved honorably with you people. We have done everything that we said we would have done, and now you are cheating us and making fun of us and so forth, and would you please do what you said you were going to do." Ledeen characterized the message as "bizarre," which was a reasonable conclusion in view of the fact that only one hostage, Benjamin Weir, had been produced and that Buckley had died at the hands of the Iranians. But it is not so bizarre if there were other ingredients in the deal, if the Iranians had "done everything" they had promised to keep the Buckley confession from being released.

In the ensuing months, as the arms continued to flow to Iran without any commensurate release of hostages, the operation became increasingly intertwined with the parallel illegal arms flow to the contras. Quite apart from the vexed question of diversion of funds from the Iranian arms profits to Central America, there was the fact that the same people were handling both operations. They were in fact the same core of operatives who coordinated the arms shipments to the contras, the same clique of covert veterans who had served time in Laos. While Shackley's role had been to launch the arms-for-hostages notion, retired General Secord took over vital operational tasks, such as procuring aircraft to ferry the weapons, early in 1986. Albert Hakim, their longtime partner, looked after the financial end, using the same Swiss accounts as were already being used to fund contra arms purchases and pay the contra leadership.

As with the contra operation, the CIA was involved in the Iran arms shipments, even though they were absolutely illegal until President Reagan signed a presidential finding in January 1986. Dewey Clarridge, the hero of the Nicaraguan harbor mining and the CIA assassination manual, was one of those called in to help. Clarridge told the Tower Commission that his first involvement came in November 1985, when North asked him for help in getting a plane to ship Hawk missiles to Iran. After trying and failing to get overflight clearances for an Israeli El Al 747, the CIA's air branch suggested the use of a proprietary. "The proprietary," Clarridge told the Tower Commission, "was told to await a call." Clarridge assumed the caller would be Secord, who was known for the purposes of this operation as "Copp." North later reported to his superiors, "Dewey has arranged for a proprietary to work for Secord (Copp). Copp will charter two 707s in the name of LAKE [*sic*] Resources (our Swiss Co.) and have them p/u [pick up] the cargo and deliver it. . . . [T]he cargo will

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be xfered [transferred] to the three Israeli chartered DC-8/55s for the flight to T[abriz]. Though I am sure Copp suspects, he does not know that the 707s belong to a proprietary. Clarridge deserves a medal—so does Copp." As it turned out, the Israelis were short a plane for the delivery to Tabriz (in Iran), so North dipped into his Central American operation for a solution. "One of our Lake Resources A/C [aircraft] which was . . . to p/u [pick up] a load of ammo for UNO [the contras]" was to be used. "He will have the a/c [aircraft] and put into service nlt [not later than] noon Sat. . . ." Someone was doing a lucrative business in paint jobs for North's outfit. Nevertheless, North was despondent about shifting assets from the contra front: "So help me I have never seen anything so screwed up in my life. Will meet w/Calero tonight to advise that the ammo will be several days late in arriving. Too bad, this was to be our first direct flight to the resistance field . . . inside Nicaragua. The ammo was already palletized with parachutes attached. Maybe we can do it on Weds or Thurs. More as it becomes available. One hell of an operation."

After depriving the contras of their ammunition, it turned out that the wrong weapons got sent to Iran, which may have inspired the outraged references to "cheating" in the message Ledeen passed on to Reagan. The Iranians were urgently in need of the improved version of the Hawk in order to deal with high-flying Iraqi incursions, but the Israelis blithely dispatched tired old early-model Hawks, which the Iranians already had and which they knew were insufficient to meet the threat. They eventually sent them back.

It appears to have been this piece of sharp practice that caused the White House to shift their management policy. From now on the Israeli role would be diminished and North, the man who a professional arms dealer had determined "didn't know what the hell he was on about," was to take an even more leading role in the arms business.

So, undaunted, the White House team forged ahead, backed up when necessary by the CIA and Defense Department. As part of what North had grandiosely christened Operation Recovery, it was now decided the Iranians should be given intelligence information that would help them in their war with Iraq. It was eventually handed over by Secord, who had been officially denied a security clearance by the CIA bureaucracy. North also helped prepare the finding signed by Reagan on January 17, 1986, that made the operation technically legal. The hope and expectation for 1986 was that

the Iranians would be given the intelligence and upgraded Hawks, as well as no less than thirty-three hundred TOW missiles.

Deputy CIA Director John McMahon, the Cassandra of the national security set, grumbled about the irrationality of it all. At a December 7, 1985, meeting on the Iran initiative, President Reagan delivered some lines about encouraging our friends the moderates. McMahon, according to his testimony to the Tower Commission, "pointed out that we had no knowledge of any moderates in Iran, that most of the moderates had been slaughtered when Khomeini took over." He went on to say that the weapons "would end up at the front and that would be to the detriment of the Iran-Iraq balance." After the finding was signed he remarked, "Giving TOW missiles was one thing. . . . Giving them intelligence gave them a definite offensive edge, and I said that can have cataclysmic results." Among other aspects of the operation that McMahon found distasteful was the involvement of North, who he considered deserved a lot of the blame for the disastrous Nicaraguan mining operation. Despite this carping, however, McMahon did as he was told.

By early 1986 Richard Secord had solidified his position—and his control of the funds—in the Iranian arms supply operation. North and Casey agreed on January 14, 1986, that Secord should be in charge of buying the weapons from the Pentagon that were to be resold to Iran. He did this as an "authorized agent" for the CIA, causing him some embarrassment later on, when the Iran-contra committees asked him how he, as a CIA agent, could have been making so much money out of the deal.

At that same January meeting Casey and North discussed high finance. North reported that Ghorbanifar, who was still involved as a middleman, could probably come up with $10,000 per TOW. The Pentagon initially said that their TOWs were priced at $6,000, but when North said that he would take older models the price came down to $3,407 apiece. The gross profit on an initial batch of one thousand therefore would be about $6.6 million. North, displaying his usual unquenchable optimism, then worked out a schedule by which "all U.S. hostages" would be released by February 9.

As it turned out, the operation proceeded relatively smoothly, except that no hostages were released. Ghorbanifar induced Saudi businessman Adnan Khashoggi to front the $10 million that North & Co. were asking for the missiles. Khashoggi, who had in turn borrowed the money from various British and Canadian investors, paid

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the money into Secord and Hakim's Lake Resources account in Switzerland. Lake Resources then sent $3.7 million to the CIA to give to the army.

The U.S. Army duly handed over one thousand TOWs at Redstone Arsenal, Alabama, on February 13–14 to Southern Air Transport, a Miami-based ex-CIA proprietary operating, according to an army report on the transaction, "under the control of General Secord and Colonel North." The missiles were then flown to Israel for transmission to Tehran.

The middlemen and investors made a profit on the deal of $3.2 million. The "enterprise," as Secord called his operation, enjoyed a far more handsome profit of $6.3 million.

Ever since Attorney General Meese's famous press conference of November 25, 1986, the matter of the diversion of funds from the Iran arms sales has occupied a preeminent position in the scandal. A review of Albert Hakim's admirably clear account ledger, among the most fascinating and little-noticed documents released by the Iran-contra committees, makes it clear that from the point of view of the enterprise, the Iran sales were just another item of income for an ongoing financial operation, which had outlays for the contras and for other, more personal items.

In the weeks before the Khashoggi money arrived, for example, the ledger carries items such as $10,000 for contra leader Alfonso Robelo, $4,000 for Rafael Quintero, $165,000 (noted as an "advance") for Hakim. In the weeks after the money went into the bank, payouts included $3,500 for contra leader Arturo Cruz, another $10,000 for Robelo, $5,000 for Quintero and $28,000 to Hakim (noted as "cash"), $50,125 for "unknown," and an "advance" to "Korel," which was Richard Secord's personal account, of $165,000. Straitlaced bureaucrats who knew what was going on were inclined to look askance at Hakim's involvement. The chief of the CIA's Near East Division told the Tower Commission that he "thought Hakim had a potential conflict of interest arising from his own business relationships" and that Hakim had been involved in arms deals "that might or might not be legal." Hakim, in his congressional testimony, was more straightforward. He and his partner, Secord, he said, were in it for the money.

Once the first thousand TOWs had been delivered, North received a note of congratulation from McFarlane: "Roger, Ollie. Well done—if the world only knew how many times you have kept a semblance of integrity and gumption to [*sic*] U.S. policy, they would

make you Secretary of State. But they can't know and would complain if they did—such is the state of democracy in the late 20th century."

There is a curious aspect to this effusive message. Since North had just delivered one thousand missiles to the terrorist mullahs and had nothing whatever to show for it (no hostages were released), it is not clear why the lieutenant colonel suddenly deserved to be made secretary of state. There are two possible explanations; either North had done some yeoman service with the Iranians in persuading them to continue sitting on Buckley's testament and other unholy secrets, or McFarlane knew a lot more than he afterwards admitted about this novel method of contra fund-raising.

By March 1986 the Iranians had set their hearts on spare parts for Hawk missiles rather than more TOWs. In early April, North drafted a long memo to Vice Adm. John Poindexter, who was now national security adviser, "to forward to the President." The memo lays out a schedule of money transfers for a Hawk parts sale, "subject to Presidential approval."

Toward the end of this master plan, North noted that "the residual funds from this transaction are allocated as follows:"

> —$2 million will be used to purchase replacement TOWs for the original 508 sold by Israel to Iran for the release of Benjamin Weir. This is the only way we have found to meet our commitment to replenish these stocks.

(North was rewriting history here. The Israeli TOWs had of course been sent in the hope of getting William Buckley, not Benjamin Weir.)

The next paragraph gave the game away.

> —$12 million will be used to purchase critically needed supplies for the Nicaraguan Democratic Resistance Forces. This materiel is essential to cover shortages in resistance inventories resulting from their current offensives and Sandinista counter-attacks and to "bridge" the period between now and when Congressionally-approved lethal assistance (beyond the $25 million in "defensive" arms) can be delivered.

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The entire document, entitled "Release of American hostages in Beirut," was left undated and unsigned. At the bottom there was a space for the president to "approve" or "disapprove" the above, but that too was left blank. North later claimed that his memo was similar to four others he had written for the president, seeking approval for the use of secret arms sales to help finance an illegal war. Poindexter testified that although there was very little he could remember on points of material interest, he did recall not showing any of these memos to the president in order to preserve Reagan's "deniability." Whether or not he was telling the truth, deniability was preserved. The ensuing official inquiries, the Tower Commission and the congressional Iran-contra select committees, were able to conclude that there was no evidence that the president had approved the diversion.

The April memo also contained details of hopes and plans for a longer-term relationship with Tehran, one not necessarily concerned with the grubby exigencies of suppressing secrets, releasing bodies, and peddling weapons. The Iranians were to be reenlisted as full members of the anti-Soviet alliance. As North wrote to his commander in chief, "We have convinced the Iranians of a significant near term and long range threat from the Soviet Union. We have real and deceptive intelligence to demonstrate this threat during the visit. ... We have told the Iranians that we are interested in assistance they may be willing to provide to the Afghan resistance and that we wish to discuss this matter in Tehran."

The "visit" alluded to here was an integral part of the new Hawk deal. McFarlane, North, NSC staffer Howard Teicher (North's titular superior), George Cave (an old CIA Iran hand), and a CIA communications specialist were to go to Tehran in person to negotiate and resolve all outstanding issues.

Whether Reagan was or was not given this memo, he approved the proposed trip. On May 25 the delegation arrived in Tehran. The group had expanded to include Amiram Nir, an Israeli who had graduated from TV announcer to Prime Minister Shimon Peres's personal adviser on counterterrorism. They carried fake Irish passports; McFarlane's alias was Sean Devlin. Richard Secord had come with the team as far as Israel, where he had remained. Democracy Inc., as the enterprise was sometimes called, furnished the aircraft and crews for the trip.

The delegation came bearing gifts. Apart from a pallet of spare parts for Hawk missiles, they brought small arms—six Blackhawk .357 Magnums in presentation boxes—and a key-shaped chocolate cake from a kosher bakery in Tel Aviv.

The excursion went badly from the start. Ghorbanifar had messed up the reception arrangements and the group waited in their plane for an hour and a half before anyone arrived to meet them. One of the presents did not survive the attention of the youthful Revolutionary Guards at the airport; as Speaker Rafsanjani later explained, "The kids ate the cake."

Once the delegation had checked into their luxury suites at the Independence Hotel, formerly the Tehran Hilton, discussions got under way. The Iranians were upset that the Americans had brought less than half the quantity of Hawk parts promised. McFarlane, at least, was angered that neither any live hostages nor the body of Mr. Buckley materialized as promised. Both Ghorbanifar and Nir were anxious that the Americans quell Iranian suspicions about the price they were being charged for the Hawk parts, which involved a markup of more than 400 percent over the amount being charged by the U.S. Army. On May 27 the group flew home, leaving their four-thousand-dollar hotel bill unpaid.

There are a number of conflicting reports on the trip, some of them from the same people. (McFarlane long denied the existence of the cake and his false passport.) Overall, the American delegation has portrayed the mood on the homeward flight as downbeat. McFarlane claims that North tried to cheer him up by pointing out that at least the deal had generated more cash for Central America, and that this was the first McFarlane had heard of the diversion.

A report in the *London Observer*, on the other hand, once again quoting a "senior Iranian diplomat" and "well-placed Iranian sources," says that McFarlane actually did meet with Rafsanjani himself, and that the meeting was fruitful. McFarlane agreed to supply high-level intelligence on the Iraqi order of battle (which is indeed what happened). Rafsanjani, for his part, agreed to continue to keep the Buckley confession quiet, and to suppress the latest products of the Tehran shredder team, the dedicated literary archaeologists who had spent years piecing together intelligence documents shredded during the embassy takeover in 1979. The latest deshredded pile allegedly contained accounts of the exploits of George Cave, the CIA man who was the interpreter for the trip.

Whatever the truth of that account, and despite the fact that the Americans and Iranians bilked each other on hostages and spare parts, the enterprise itself profited immensely. According to the final

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accounting for the trip, there was an $8.5 million surplus. Adnan Khashoggi had furnished $15 million to finance the deal. Lake Resources gave the CIA $6.5 million to pay off the army for the parts. Unfortunately for the Saudi, the Iranians refused to pay for the parts they had not received, so Khashoggi only got $8 million back. He was left complaining that he was $10 million short ($3 million for "costs and financing").

The principals of the enterprise were in a happier position. Business was humming at the host of interlocking companies, Lake Resources, Hyde Park Square, Albon Values, Udall, and the many others crafted by Hakim and Secord. Four days after the last part of Khashoggi's payment arrived in the Lake Resources account, Albon Values paid $26,490 to Korel, where Secord's nest eggs were lodged. Four days later Hyde Park Square dispensed $200,000 as "capital" for "Button."

Hakim, one of the more beguiling witnesses to testify, later explained to the Iran-contra committees what Button was all about. Giving a good imitation of the late actor Peter Lorre, the Iranian fixer purred to the stony-faced congressmen and senators that out of "love" for Oliver North he had suggested that the enterprise should make provision for the colonel's family. As Hakim eloquently described his emotions, "I saw a man dissipating so much love for his country and his associates that the radiation of that love really immediately penetrated to my system." Since, as Arthur Liman pointed out, Hakim had only met North once at that point, this was a case of "love at first sight."

Hakim had thought that half a million dollars would be about right, but Secord had said that was too much, so the Iranian had paid two hundred thousand dollars into an account with CSF, the Bellybutton account. He had, indeed, sent his Swiss lawyer, Willard Zucker, to confer with Mrs. Bellybutton (Betsy North) about it. In his own testimony Oliver North deployed his full powers of rhetorical eloquence to state that he knew that provision was being made for his family in the event of something going wrong with the May trip to Tehran, but that he had lost interest afterwards. He was unable to explain why Mr. Zucker was still trying to find a legal way of getting the money to Betsy as late as October 1986.

According to Hakim's accounts for the enterprise, the Iran deals yielded a total of $30 million in gross income. After expenses there remained about $15 million in profits, which was expended on supplies for the contras, stipends for their leaders, and "capital" for the principals' outside business interests.

Overall, according to the ledger, the enterprise had a turnover of $47,734,093 between December 21, 1984, and November 28, 1986. (The last recorded item of expenditure was $20,000 for "Attorney".) Thirty million dollars of that had come from the financiers of the Iranian deals; over $10 million was paid in by Adolfo Calero (presumably the fruits, or some of them, of the donations from Saudi Arabia and other U.S. allies); the remaining $7 million came variously from wealthy individuals like beer magnate Joseph Coors, professional fund-raisers like Spitz Channell, and directly from the CIA.

In his testimony to the Iran-contra committees, Secord claimed that the contras had garnered $3.5 million from the Iran arms sales, though nearly $8 million made its way from the accounts "for the benefit of the contras." He also claimed that a further $4 million had been set aside as "insurance" for the Israelis should one of their aircraft be lost in Iran while ferrying the weapons. As there were no mishaps, that money remained in the account. Secord could not, however, produce any documentary evidence of an insurance agreement, which means that the Israelis would have had trouble collecting, if such an agreement in fact existed. In all, at close of business in November 1986, a total of over $8 million remained squirreled away in the network of shell companies, a large portion of it, by mid-1987, in an account at Merrill Lynch. In the event of the death of both Secord and Hakim, Oliver North was to inherit $2 million set aside in a reserve account. Secord refused to grant authority to Congress so that investigators could examine the books of these entities and satisfy themselves that everything was aboveboard, as the general claimed.

What did emerge from Secord's testimony, and from the documents obtained by the committees, was that $2.1 million marked in the books as money designated "CIA" were for contra weapons. On September 24, 1986, the enterprise sold these items to the CIA for $1.2 million. Since, however, the weapons had already been given to the contras, and remained with them, this would seem to constitute a violation of the Boland Amendment, with the CIA supplying weapons to the contras. Hakim referred to this CIA transaction as the "stranded arms." The enterprise partners took a hefty commission on the sale. Secord, Hakim, and Tom Clines each pocketed $258,000.

Before the untimely exposure of the enterprise, Secord, accord-

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ing to his former employee, retired air force colonel Robert Dutton, had nurtured plans to sell off more of its property, including aircraft and the secret Santa Elena airstrip, to the CIA. The listed owner of these assets was the Panamanian company Udall Research, which retained, according to a company document, Richard Secord as its "U.S. representative." When confronted in the hearings with this document, and the inference that he planned to make a tidy profit out of the transaction, Secord prevaricated. He said first that the document had to be "wrong" and then that it was "irrelevant." He stoutly denied charges of profiteering, claiming that he had given his word to the late William Casey that the "assets" would be turned over to the CIA free of charge.

Secord admitted that the tangled web of shell companies and accounts was designed to "confuse anyone who might start poking around" (Hakim claimed he sometimes got lost himself). Nevertheless it emerged clearly that the dividing line between the supposedly private "enterprise," as Senate Counsel Arthur Liman invariably called it with ironic relish, and the U.S. government was fuzzy, at best.

During all the time that Secord, as Arthur Liman put it, was "selling arms for profit" on behalf of the U.S. government, he was reportedly the head of operations for an official counterterrorism task force, as designated by President Reagan under NSDD 138. It was American taxpayers' money that had built the arms shipped off to Iran, and American taxpayers' money that had been paid to the enterprise by the CIA. CIA Director William Casey had agreed that Secord be designated an "agent for the CIA" in his dealings with the Defense Department. Secord, uniquely for a private citizen, had been allowed to consult CIA lawyers on whether his enterprise violated the Neutrality Act. Secord was able to communicate in secret with his managers in the field, such as Dutton, thanks to the KL-43 encryption devices furnished free of charge by the National Security Agency.

The most vivid example of the degree to which foreign policy had been delegated to semiprivate citizens and a marine lieutenant colonel is to be found in the transcript of the conversation between an Iranian envoy (the so-called second channel) and North, Secord, and Hakim on October 29 and 30, 1986. This channel of communica-

tion with Iran through an unnamed relative of Rafsanjani had been opened by Secord. So well had all concerned got on that the Relative, as he was code-named, had earlier come to Washington and had been taken for a tour of the White House by North and Hakim.

Hakim, the self-professed former bagman for bribes in Iran arms deals, had now been vested by North with the responsibilities of a secretary of state. (He had been originally involved in negotiations back in February, with Ghorbanifar present. Since he and Ghorbanifar were old enemies, Secord and North sent him out to get a disguise. He rushed around Frankfurt trying to buy a wig. Eventually, and suitably tonsured, he returned to fool his compatriot.) At one point, when negotiations with the second channel were breaking down, Hakim on his own had worked out an agreement that included the release of terrorists imprisoned in Kuwait; the handing over of the Buckley "debriefing"; and a reduction of the demand for the release of all hostages to a promise of freedom for "one and a half." When Hakim communicated that point to North, the colonel accused him of being drunk. When it was made clear that this actually meant one hostage for certain and a possible second, North agreed to all nine points with alacrity, and told Hakim that the president did too. Poindexter later confirmed the president's agreement, though Secretary of State George Shultz said it wasn't so. There was, it should be noted, an urgent political deadline fast approaching. President Reagan was campaigning ardently to retain Republican control of the Senate, and North was anxious to do his bit. Hakim, who was interested in the profits he could collect if people stopped fussing about the hostages and got on with a long-term deal, was irritated at North's short-term agenda: "I did not approve of Colonel North's focusing on hostages . . . because his prime objective at that time was to support the President in connection [with] . . . the elections."

In the late-October meeting, which took place in Frankfurt, the parties united in denigrating Saddam Hussein, the Iraqi president. From the tenor of the conversation as recorded and transcribed by the CIA, it appears that there had already been talks about getting rid of Hussein. At one point in the meeting Hakim interprets the Iranian as saying: "We both agree that the foundation and base of an honorable victory means for Saddam to go. We have said enough and we both understand that. What they [the Iranians] need to know now is what should they do for us [the U.S.] to take the next step towards that and how. . . . Explain to us very clearly the method that we have to achieve this."

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North replied that "We also recognize that Saddam Husayn [*sic*] must go."

It might be inferred from this colloquy that in previous conversations with the Relative there had been discussions on how the U.S. might cooperate in getting rid of President Hussein, a man who has given every sign that he is unlikely ever to leave office other than feetfirst. Later on in the conversation, in the course of discussing the date when the three remaining American hostages in Lebanon might be released, Secord introduced a lighter note. "We're going to be negotiating about the new hostages by then," he remarked. The CIA transcript notes that this pleasantry drew laughter.

Contra dignitaries were also an integral part of this public/private mechanism. The directors of UNO, the United Nicaraguan Opposition, all received paychecks from the Swiss accounts. Alfonso Robelo got a regular $10,000 monthly stipend, Arturo Cruz received $7,000 a month, and Adolfo Calero, who himself controlled large pools of cash, received $200,000. Thus the men selected by North and his colleagues on the Restricted Interagency Group as contra "leaders" were salaried employees of the U.S. government via the commercial cutout of the enterprise. In the case at least of Cruz's wages, so North informed Calero at one point, the enterprise took over the job directly from the CIA.

In fact, the only difference between the enterprise and a duly authorized government operation was that those involved were making money out of it.

As with the arrangement with the cocaine traders like Ocean Hunter, and with the Costa Rican mercenary operation, the Iran arms business left some potentially embarrassing loose ends lying around. It may be remembered that the money for the Hawk shipment that accompanied McFarlane and company to Tehran had been raised by Khashoggi from investors in Canada and elsewhere. When the Iranians failed to pay the full amount, the Canadians, reputed to be tough customers, began to pressure Ghorbanifar. Discovering that the White House and CIA were dumping him as middleman in favor of the Relative, a frantic Ghorbanifar threatened to blow the whistle.

This was a potent threat. "He has too much documentary evidence that implicates US interests," noted North in a memo, "clearly there are some personal things that can be done for Ghorbanifar—arrange permanent alien residency for his girlfriend in California." North was also prepared to offer visas for Ghorbanifar's family, as

well as to find the discarded middleman a job. "These steps will not alleviate Ghorbanifar's financial problems—regardless of their merit—but may dispose him more kindly to the US government and lessen his inclination to expose the Iranian initiative. There is also," noted North presciently, "likely to be material alleging poor judgment and shabby conduct" by the lieutenant colonel and his associates.

William Casey did not need to be told that the Iranian chickens were coming home to roost. In October it had been learned that leaflets describing the McFarlane visit were flooding Tehran. At the same time, Roy Furmark, an associate of Khashoggi's (and an old friend of Casey's), had told the CIA director that Ghorbanifar was saying that he thought "the bulk of the original $15 million price tag was earmarked for Central America." The word was out on Iran. Meanwhile, deep in the Nicaraguan jungle, a wrecked airplane was yielding damning evidence to the world of what the enterprise had been doing for the contras.

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